S. HRG. 103-889, VOL. XVIII

RESOLUTION TRUST CORPORATION ("RTC") DOCUMENT PRODUCTION

HEARING

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

VOLUME XVIII

RESOLUTION TRUST CORPORATION ("RTC") DOCUMENT PRODUCTION IN RESPONSE TO S. RES. 229

Printed for the use of the Committee on Banking, Housing, and Urban Affairs

U.S. GOVERNMENT PRINTING OFFICE
89-181 CC WASHINGTON : 1994

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-046973-2

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

DONALD W. RIEGLE, Jr., Michigan, *Chairman*

PAUL S. SARBANES, Maryland
CHRISTOPHER J. DODD, Connecticut
JIM SASSER, Tennessee
RICHARD C. SHELBY, Alabama
JOHN F. KERRY, Massachusetts
RICHARD H. BRYAN, Nevada
BARBARA BOXER, California
BEN NIGHTHORSE CAMPBELL, Colorado
CAROL MOSELEY-BRAUN, Illinois
PATTY MURRAY, Washington

ALFONSE M. D'AMATO, New York
PHIL GRAMM, Texas
CHRISTOPHER S. BOND, Missouri
CONNIE MACK, Florida
LAUCH FAIRCLOTH, North Carolina
ROBERT F. BENNETT, Utah
WILLIAM V. ROTH, Jr., Delaware
PETE V. DOMENICI, New Mexico

Steven B. Harris, *Staff Director and Chief Counsel*
Howard A. Menell, *Republican Staff Director*
J. William Codinha, *Special Counsel*
Michael Chertoff, *Republican Special Counsel*
Neal E. Kravitz, *Deputy Special Counsel*
Beth O'Neill Maloney, *Counsel*
Glenn Ivey, *Counsel*
Mitchell Feuer, *Counsel*
Timothy P. Mitchell, *Legislative Assistant*
Douglas A. Epstein, *Legislative Assistant*
Lori A. Beane, *Legislative Assistant*
Patty Hamel, *Special Assistant*
Kelly Cordes, *Chief Clerk*
Emily L. Frydrych, *Assistant to Staff Director*
Stefani Lako, *Legislative Assistant*
Teresa Ho, *Legislative Assistant*
Amy L. Kostanecki, *Legislative Assistant*
Sheila Duffy, *Legislative Assistant*
Martin J. Gruenberg, *Counsel*
Courtney Ward, *Staff Director, Securities Subcommittee*
Raymond Natter, *Republican General Counsel*
Ira Paull, *Deputy Republican Staff Director*
Joseph Braunreuther, *Republican Deputy Special Counsel*
Roman Darmer, *Republican Counsel*
Douglas Nappi, *Republican Counsel*
Laura S. Unger, *Republican Counsel*
James C. Wilson, *Republican Counsel*
Paul Goldenberg, *Republican Special Investigator*
Wayne A. Abernathy, *Republican Professional Staff*
Julie Fallen, *Republican Legislative Assistant*
Shellie R. Berlin, *Republican Legislative Assistant*
Gila Zawadzki, *Republican Legislative Assistant*
Colleen Barnett, *Republican Staff Assistant*
Becky Chapman, *Republican Executive Assistant*
Edward M. Malan, *Editor*
Irene C. Whiston, *GPO Editorial Assistant*
Donna Lee Krause, *GPO Editorial Assistant*

CONTENTS

VOLUME XV

DOCUMENT PRODUCTION BY THE RESOLUTION TRUST CORPORATION ("RTC")

July 1, 1994 RTC Response

Page

July 1, 1994 transmittal letters 1
July 1, 1994 transmittal letters 4
July 8, 1994 index for July 1, 1994 6
  Document Numbers 1863–1870 and 1872–1901 16
  Document Numbers 1902–1939 54
  Document Numbers 1940–1947 92
  Document Numbers 1948–2062 100
  Document Numbers 2063–2067 215
  Document Numbers 2068–2079 220
  Document Numbers 2084–2093 232
  Document Numbers 2110–2112 242
  Document Numbers 2116–2257 245
  Document Numbers 2258–2281 387
  Document Numbers 2282–2288 411

Other Responses

July 11, 1994 response 418
July 12, 1994 response 553
Files of Peter E. Knight, RTC Director of Governmental Relations 557

VOLUME XVI

Files of Ellen B. Kulka, RTC General Counsel 1141

VOLUME XVII

Files of Ellen B. Kulka, RTC General Counsel (Continued) 2185

VOLUME XVIII

Page
Files of Ellen B. Kulka, RTC General Counsel (Continued) 3309

VOLUME XIX

Files of John E. Ryan, RTC Deputy CEO and Acting CEO 4303

VOLUME XX

July 1, 1994 Katsanos response 5519
July 13, 1994 Katsanos response 5607
Oversight Board briefing book materials 6086
February 17, 1994 draft of briefing book for RTC Oversight Hearing 6101
Files from the Office of Governmental Relations 6117
Files from the Office of Governmental Relations (Continued) 6306
Files from the Office of Governmental Relations (Continued) 6321
Files of Barry Kolatch, Vice President for Planning, Research & Statistics 6343
Files of Richard Aboussie, Associate General Counsel 6371
Files of Sharon Hume, Lead Legal Secretary for Corporate Affairs 6376
Files of Meg Kruse, Special Assistant to the CEO 6409
Files of Steve Primrose, Legislative Advisor 6412
Congressional Correspondence signed by Roger Altman 6452
Congressional Correspondence 6495

VOLUME XXI

Files of Art Kusinski and Don Rosholdt, Ethics Officers 6661
Files of John C. Binkley, Counsel, Office of Corporate Issues 6876
Background information for Testimony on Madison 7205
Files of Glion Curtis, Assistant General Counsel for Kansas City and Acting General Counsel 7377
Files of Thomas Hindes, Assistant General Counsel, Professional Liability Section 7378
Files of Terry Arbit, Senior Counsel 7488
Files of James Barker, Associate General Counsel, Field Office Operations 7493
Files of Casey Carter, Legislative Affairs Specialist 7527

VOLUME XXII

Page
Congressional Correspondence (1 of 2) 7663
Congressional Correspondence (2 of 2) 8048

VOLUME XXIII

Rep. James A. Leach v. Resolution Trust Corporation and Office of Thrift Supervision 8769

RTC News in Brief

Washington, D.C.

Friday, March 4, 199

Highlights of RTC-related news articles that appeared during the week ending 3/4/94:

- **Treasury Secretary Lloyd Bentsen asked the independent Office of Government Ethics to investigate meetings that took place between Treasury and White House officials on the status of the Madison Guaranty (McCrory, AR) investigation, *The Washington Post, The New York Times, The Wall Street Journal, The Washington Times, USA Today,* and the *Los Angeles Times* reported on March 4. Senator D'Amato's effort to block the confirmation of FDIC nominee Ricki Tigert until hearings are held on the Madison Guaranty/Whitewater matter was also mentioned in the reports.**

- **The RTC's victory in a New York federal appeals court over state rent control restrictions on RTC-controlled apartments in Manhattan was reported in *The Wall Street Journal* on March 3.**

- **The Rose Law Firm's investigation into the billing practices of former partner and now Associate Attorney General Webster Hubbell was reported in *The Washington Post, The New York Times, The Wall Street Journal, The Washington Times, USA Today,* and the *Los Angeles Times* on March 3.**

- **Interim CEO Roger Altman recused himself from taking part in any further actions related to Madison Guaranty (McCrory, AR), *The Washington Post, The Washington Times,* and *The New York Times* reported on February 26, and the *Los Angeles Times* reported on February 27. Mr. Altman's announcement followed his statement at a February 25 Oversight Board hearing before the Senate Banking Committee that he briefed White House officials on the status of the RTC's investigation of Madison Guaranty. The *Post* also reported on this matter on February 28.**

26

To: James M. Barker@Legal-sc@RTCDC
Cc:
Bcc:
From: Stephen J. Katsanos@Comm@RTCDC
Subject: Contacts with Treasury re. Madison
Date: Wednesday, March 9, 1994 9:46:42 EST
Attach:
Certify: Y
Forwarded by:

Top the best of my recollection, my contacts with the Treasury Department and White House regarding Madison and the Rose Law Firm are as follows.

1) Copies of the Early Bird, a daily summary of stories we anticipate will appear based on our conserversations with reporters, were sent to several individuals at the Treasury Department. Two recipients requested they be sen this publication shortly after Roger Altman was installed as interim CEO. Th recipients, who obtain this via fax, are: Roger Altman and Joan Logue-Kinder. Altman's request was through Logue-Kinder. Jean Hanson's office on October 4, 1993, requested that she be added to the daily fax list for the Early Bird. These individuals also were sent our News in Brief each Friday afternoon. This is a one page summary of RTC stories that have been published during the week.

2) Jack DeVore, former press director at Treasury, on October 1, 1993, called me, according to a telephone message slip. I assume Jack was returning my call, which I believe would have related to a call to me on September 30 from Sue Schmidt of the Washington Post. Sue was trying to follow several leads regarding potential conflicts in the use of the Rose Law Firm, including the involvement of Web Hubbel, and suggestions that a crimina referral relating to Madison was being held up in Washington. My call to Jac was to advise him that it appeared Sue was preparing a story that would suggest improper handling of a field investigation, attributable to unnamed RTC sources. I told him that the interim CEO should be prepared for such a story. I had another conversation with DeVore, I believe following Sue Schmidt's visit around October 13 to the home of one of our investigators in Kansas City. Jack had called regarding procedures normally followed in the handling of a criminal referral. Specifically, is a referral made by Washington or a field office.

3) Joan Logue-Kinder called, I believe late October after DeVore left the Treasury Department. She had wanted a "heads up" on reporters queries concerning the Rose Law Firm and Hillary Clinton, but suggested they not be identified in the Early Bird. She also instructed me to call Lisa Caputo at the White House to discuss Sue Schmidt's interest in Hillary Clinton. She gave me Caputo's phone number and said it would be good to keep her informed.

4) Called Lisa Caputo per Logue-Kinder's instructions. Told her Sue Schmidt was interested in knowing if Hillary Clinton had ever attended meetings involving RTC lawyers, Rose Law firm, concerning Madison. Caputo indicated she knew Sue and was surprised Sue had not called her directly.

5) Howard Schloss of Treasury called I believe on February 15 and directed m to refrain from mentioning Interim CEO Roger Altman in Early Bird items relating to Madison because of risk that the Early Bird might make it into hands of people who shouldn't see it. Told Schloss: he was not in a position to give me orders. Early Bird was initiated as a vehicle for informing RTC

senior management of stories we believe reporters will eventually run with. Altman is Interim CEO and as long as he serves in that capacity it is my job to inform him of media activities. Schloss said he would get a memo rolling that would give me instructions from Altman.

Firm and Hillary Clinton excluded
following SueSc

27

To: Ellen B. Kulka@Legal-sc@RTCDC
Cc:
Bcc:
From: Stephen J. Katsanos@Comm@RTCDC
Subject: ABC
Date: Wednesday, March 9, 1994 12:14:03 EST
Attach:
Certify: N
Forwarded by:

ABC plans to run their story tonight regarding the alleged request to you fro Roger Altman to brief the President's private lawyers on Madison related matters. I mentioned to you earlier that the reporter on this claims that AB has spoken with Altman on this on a "background" basis and claims to have bee told by Roger that you could "clear up any misunderstanding" about what he intended regarding this alleged request. ABC now claims that they have this request confirmed by another source and will run with the story tonight. The would like to interview you on this. However, absent agreement to an interview, they will say that you, through a spokesman, said that Altman, the CEO, is your client and as such any conversations are protected by attorney client privilege. I told them I would prefer they not use that phrasing and suggested instead that they say you believe as general counsel you feel any conversations you may have with RTC officials relate to the RTC's business an would be inappropriate for you to discuss with the press. They prefer the attorney/client privilege soundbite.

If you would like to talk with them, now is the time. Arim Rosten is at 887-7300. I would like to know if you call. If you want me to try for another response, let me know. I have suggested, as I have in the past, that if they believe such a conversation took place, the person to talk to to properly understand intent is the one who allegedly made the request, Roger Altman.

HENRY B. GONZALEZ, TEXAS, CHAIRMAN
STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

23

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

March 1, 1994

The Honorable Roger Altman
Interim CEO
Resolution Trust Corporation
801- 17th Street, N.W.
Washington, D.C. 20434

RECEIVED
MAR 3 1994
OFFICE OF GOVERNMENTAL RELATIONS
RTC

Dear Mr. Altman:

Enclosed is a self explanatory letter to Mr. Bernard Nussbaum et. al. As you know, in my letter of February 3 I had suggested that you recuse yourself from matters pertaining to Madison Guaranty Savings and Loan.

Now, however, based upon your meeting with White House officials on this subject, presumably after receipt of my letter, your resignation from all responsibilities at the RTC appears to be the only ethical option in order.

Sincerely,

James A. Leach
Ranking Member

Enclosure

[illegible]

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

[illegible]

March 1, 1994

Mr. Bernard Nussbaum
Counsel to the President
The White House
Washington, D.C. 20500

Mr. Stephen Potts
Director
Office of Government Ethics
1201 New York Avenue, N.W.
Suite 500
Washington, D.C. 20005-3917

Ms. Jean Hanson
General Counsel
Room 3000
Department of the Treasury
Washington, D.C. 20220

Mr. Art Kusinski
Chief Ethics Officer
Resolution Trust Corporation
801- 17th Street, N.W.
Washington, D.C. 20434

Dear Messrs. and Madam:

On February 3, 1994, I wrote to the Interim CEO of the Resolution Trust Corporation (RTC), Mr. Roger Altman, asking that he seek appropriate counsel as to whether he should recuse himself from matters regarding Madison Guaranty Savings and Loan. As I noted in my February 3 letter to Mr. Altman: "...it would appear ethically questionable for a political appointee of the Department of Treasury to make decisions for an independent federal agency when the President may be implicated in enforcement and civil actions."

On February 23 I received a lengthy response to my letter which ended with the following sentence: "I trust this letter fully addresses your concerns" [see attached letters]. Regrettably, the letter did not fully address the concerns expressed in my letter of February 3. Moreover, it would appear that the concerns raised in my letter were confirmed when Mr. Altman testified last week before the Senate Banking Committee that he had entered discussions with

the White House on matters affecting the President's potential personal liabilities.

While it is dubiously credible to think Mr. Altman would have gone to the White House to discuss only the statute of limitations, in that a mere memo would have sufficed, it bears noting again the irony that it was Mr. Altman who on May 4, 1993, strongly recommended by letter to the Chairman of the House Banking Committee that the statute of limitations for civil lawsuits against S&L wrongdoers not be extended.

Mr. Altman's meeting with White House staff concerning the RTC's actions in the Madison case is an ethical umbrage. Even though Mr. Altman has now decided it proper to recuse himself from the Madison case, the issue at hand is whether his conduct violated federal ethics guidelines or strictures, as promulgated by the RTC. These guidelines are listed under 12 CFR § 1605.7 and include the following:

> "No employee shall engage in any action, which might result in, or create the appearance of ...
>
> (b) giving preferential treatment to any person;...
>
> (d) losing complete independence or impartiality;
>
> (e) making an RTC decision outside official channels; or,
>
> (f) adversely affecting the public's confidence in the integrity of the RTC."

Also, 12 CFR § 1605.10 states that an RTC "employee may not, directly, or indirectly, use or allow the use of information which is obtained as a result of his or her RTC employment but which is not available to the general public in order to engage in any financial transaction or to further a private interest."

In addition, another issue appears to be an abuse of the spirit of 5 U.S.C 3348. In a technical sense, this statute allows the President to name a temporary agency head to fill a vacancy until a nominee is confirmed by the Senate. In the event a nominee is rejected by the Senate or his/her name is withdrawn, 5 U.S.C. 3348 provides that the vacancy may be filled for not more than 120-days by an individual designated by the President.

In the case of Mr. Altman's appointment as interim CEO of the RTC, we have a situation where a political appointee of the Treasury Department has served as the head of an independent agency for approximately 13 months. To some, this circumstance leaves the

impression that Mr. Altman's term of office might have been intended to coincide with the running of the statute of limitations for civil lawsuits which could affect the White House.

Now that the statute of limitations has been extended, a skeptic might wonder if further legal machinations will occur as a means of maintaining Mr. Altman's tenure as interim CEO of the RTC. After all, no nominee to head the RTC has been formally presented to the Senate since Mr. Tate withdrew his name from consideration on November 30, when he complained of gross mismanagement at the RTC.

It is my judgement that the RTC has had its independence compromised and that it is no longer sufficient for Mr. Altman to recuse himself from the Madison case. It is all too apparent that his shadow looms large at the agency and that his immediate resignation from all responsibilities at the RTC would appear to be the only ethical option at this time.

In addition, just as one party should not have requested the meeting, the other party should not have accepted it. In this regard, I hereby request a review of whether White House officials, Bernard Nussbaum, Margaret Williams, and Harold Ickes, violated any ethical guidelines. Here I would call your attention to the following White House guidelines:

3 CFR § 100.735-4 General standards of conduct.

> "(c) In all circumstances employees shall conduct themselves so as to exemplify the highest standards of integrity. An employee shall avoid any action, whether or not specifically prohibited by this subpart, which might result in, or create the appearance of:
>
> (1) Using public office for private gain;
>
> (2) Giving preferential treatment to any person;
>
> (3) Impeding Government efficiency or economy;
>
> (4) Losing complete independence or impartiality;
>
> (5) Making a Government decision outside official channels; or
>
> (6) Affecting adversely the confidence of the public in the integrity of the Government."

3 CFR § 100.735-8 Conflicts of interest.

> "(a) A conflict of interest may exist whenever an employee has a substantial or private interest in a matter which involves his duties and responsibilities as an employee. The maintenance of public confidence in Government clearly demands that an employee take no action which would constitute the use of his official position to advance his personal or private interest. It is equally important that each employee avoid becoming involved in situations which present the possibility, or even the appearance, that his official position might be used to his private advantage."

3 CFR § 100.735-21 General conduct prejudicial to the Government.

> "An employee shall not engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, or other conduct prejudicial to the Government."

With regard to the second of the above citations, it would appear self-apparent that "personal or private interest" would apply to issues of individual job security or promotion. In addition, with regard to the third, the adjective "dishonest" would presumably apply to the issuance of statements of fact that prove untrue. Here, I bring to your attention, Mr. Nussbaum's February 10, 1994 letter to Reps. Lightfoot, Wolf, and Istook. I would also ask that the possibility be probed that the meeting might have had the effect of being "prejudicial" to the government's case in attempts to recover taxpayer losses related to the failure of Madison Guaranty.

I would specifically request that the Office of Government Ethics and the Chief Ethics Officer of the White House, which I understand to be Mr. Nussbaum or his designee, formally review and provide me with a response as to whether the meeting between the three White House officials and Mr. Altman violated any guidelines of government ethics, regulations, or law. In particular, there is an implicit appearance that public officials dealt with the private matters of the President. In this regard, I would hereby request a list of any individuals who participated or attended at any point in the discussions and from each any notes or recordings of the meeting or meetings at the White House or elsewhere on this matter.

Please provide a full response to the issues raised in this letter regarding the White House as well as Mr. Altman by Monday, March 21, 1994. Thank you for your time and consideration of this matter.

Sincerely,

James A. Leach
Ranking Member

cc: - Mr. Roger Altman
Interim CEO
Resolution Trust Corporation

[illegible]

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON DC 20515-6050

[illegible]

February 2, 1994

Mr. Roger C. Altman
Interim CEO
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear Mr. Altman:

I am in receipt of your February 1, 1994 response to the letter initiated by Senate Republican leadership concerning Madison Savings and Loan and I am pleased to learn that the RTC "will vigorously pursue all appropriate remedies" with regard to Madison's failure. It seems self-apparent that in order for the RTC to pursue vigorously all remedies it must have all relevant information at its disposal. Accordingly, I urge the RTC to seek and review all Whitewater Development Corporation documents turned over by the White House to the Justice Department.

In its investigation of Madison, the Minority has uncovered links between Madison and Whitewater, some of which may have contributed to the thrift's failure. Not only did James and Susan McDougal hold significant ownership interest in both entities (approximately two thirds in Madison and one half in Whitewater), but the other joint owners of Whitewater (Bill and Hillary Clinton) appear to have benefited directly and indirectly from the application of Madison resources. (See the attached memo.)

If the White House chooses to use the Justice Department to shield Whitewater documents not only from the public and Congress, but from other government agencies, such as the RTC, which have legitimate public law enforcement responsibilities, it is hard to believe a responsible resolution of the issues involved can be made by regulatory authorities.

I have high regard for your personal integrity, but as you know, from the beginning, it has been an awkward situation to have a presidentially appointed and confirmed officer of the Treasury Department also head an independent federal agency, the Resolution Trust Corporation (RTC). When this prospect was first suggested at the beginning of the Clinton Administration, it did

not strike the Minority as overly unreasonable for a month or two given the fact that no RTC head had been selected.

However, it has been over a year since the Administration has been in office and it can only be described as structurally unseemly for a political appointee of an Executive branch department to make what are in effect, law enforcement decisions for an independent federal agency as they may touch upon the President.

Accordingly, I would urge that you request from the Department of Treasury's General Counsel and Ethics Office advice as to whether you, as interim CEO of the RTC, are obligated to recuse yourself from any decisions concerning the resolution of Madison Guaranty. Just as the special counsel law was designed to relieve the Attorney General from an ethical dilemma of being both chief law enforcement officer for the nation and chief legal advisor to the President in circumstances when the President or a high level Administration officer is the subject of investigation, so it would appear ethically questionable for a political appointee of the Department of Treasury to make decisions for an independent federal agency when the President may be implicated in enforcement and civil actions.

In this regard, it should be clear that the issue is not whether a presidentially appointed official can oversee an investigation involving the President. Rather the issue is that officials with this responsibility should be confirmed for the job with that particular accountability. As you will recall it was a political appointee confirmed by the Senate that issued a cease and desist order for engaging in conflicts of interest against the son of a former President.

As you know, despite your strong letter to the Chairman of the House Banking Committee recommending against extension, Congress last year extended the statute of limitations for civil lawsuits brought against S&L wrongdoers. As you pointed out in your most recent letter, this extension "has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution." Given, however, the impending running of the statute of limitations for certain kinds of actions, time is clearly of the essence for the RTC to make judgments about civil accountability in the failure of Madison.

Finally, I would like to reiterate my request, pursuant to Rules X and XI of the House Rules for all documents related to Madison Guaranty Savings and Loan, Little Rock, Arkansas. As you know,

on December 9, 1993, I wrote the RTC requesting access to all documents related to Madison Guaranty and its subsidiaries.

House and Committee Rules, House practices, and judicial precedent support the proposition that the Ranking Minority Member is the functional counterpart to the Chairman for Committee action. This being the case, a request for documents made by the Ranking Minority Member has parallel standing with a request made by the Chairman of the Committee. The Ranking Minority Member clearly has a voice in the process and is entitled to information that will enable the Ranking Minority Member to carry out his constitutionally mandated oversight responsibilities.

Therefore, the courtesy of a definitive reply to this document request is requested by 12 noon, Monday, February 7, 1994. On this matter, it is urged that you also consult with the Ethics Office as to the relevance of the previously discussed recusal issue.

Again, let me stress that to the degree a conflict situation may exist in this matter in no way reflects on your personal integrity. It is simply an awkward circumstance in contrast to a personal embarrassment.

Sincerely,

JAMES A. LEACH
Ranking Member

JAL:gp

Enclosure

DEPARTMENT OF THE TREASURY
WASHINGTON

GENERAL COUNSEL

February 23, 1994

The Honorable James A. Leach
Ranking Member
Committee on Banking, Finance and Urban Affairs
U.S. House of Representatives
Washington, D.C. 20515-6050

Dear Mr. Leach:

In your letter to Deputy Secretary Altman of February 3, 1994, you asked him to seek advice from "Treasury's General Counsel and Ethics Office" as to whether he is obligated to recuse himself from decisions concerning the Resolution Trust Corporation's resolution of Madison Guaranty Savings and Loan Association. He has sought such advice from me and from ethics officials of the Resolution Trust Corporation and the Treasury Department.

I understand you to express concern about the possibility that the Deputy Secretary might, as acting Chief Executive Officer of the Resolution Trust Corporation pursuant to the Vacancy Act, 5 U.S.C. 3347, participate in RTC decisions as to whether there are civil claims for RTC to pursue arising from the failure of Madison Guaranty Savings and Loan Association and the expiration of statutes of limitation applicable to any such claims. Your concern seems to stem from the fact that decisions regarding those claims "may touch upon the President" who appointed the Deputy Secretary to his Treasury position. You asked the Deputy Secretary to seek advice from Treasury's General Counsel as to whether he is "obligated to recuse (himself) from any decisions concerning the resolution of Madison Guaranty." I have advised the Deputy Secretary that neither his appointment at Treasury nor his detail to the RTC creates such an obligation.

Your letter suggests that the Deputy Secretary's participation in such decisions would be "structurally unseemly," a conclusion apparently based on the fact that he was appointed by the President and confirmed for a position in a Cabinet department and is acting in a position in an Executive agency that is not such a department. However, the authority pursuant to which the Deputy Secretary is detailed to RTC duties was amended in 1988 precisely so that any Executive agency, such as the RTC, and not just Cabinet departments, could continue to have Presidentially-appointed leadership when circumstances delay filling vacant positions. Pub.L. 100-398, §7(a)(1) and (2), Aug. 17, 1988, 102 Stat. 988.

You also suggest that a structural issue arises from RTC's "public law enforcement responsibilities;" that it would be improper for a Presidential appointee not confirmed for a position at the RTC to exercise those responsibilities. However, the RTC is not a "law enforcement" agency. Its responsibility to pursue civil claims owed to the institutions it takes over is not a "law enforcement" responsibility. In fact, RTC's claims collection responsibility is more analogous to the responsibility of the head of every Executive agency to collect claims of the United States that arise from the agency's activities or are referred to it. 31 U.S.C. 3711. The differences between the Deputy Secretary's claims collection responsibilities at Treasury and at the RTC raise no "structural" concern regarding his performance of those responsibilities at the RTC.

Even if the RTC were in some special sense a "law enforcement" agency, which it is not, absent an exception in the Vacancy Act or another statutory provision creating an exception, the Vacancy Act authorizes filling vacant positions at any "Executive agency (other than the General Accounting Office)." The language of the Act does not distinguish among agencies based on the nature of their functions. Moreover, it would be incorrect to infer the existence of such distinctions. In the one instance of an exception created by the Vacancy Act, Congress has employed language that clearly achieves that objective. The Act expressly provides that its authority to detail Presidential appointees from other agencies does not apply to vacancies in the office of the Attorney General; neither the Vacancy Act nor any other law creates such an exception for the RTC.

Finally, even if there were some basis for reading into the Vacancy Act a principle that only an official confirmed for a position in an agency with law enforcement responsibilities should be detailed to another such agency, the Deputy Secretary's position at Treasury would qualify, rather than disqualify him. Treasury has enormous criminal law enforcement responsibilities, as is amply demonstrated by the significant law enforcement jurisdictions of the Bureau of Alcohol, Tobacco and Firearms, the Customs Service, the Secret Service and the Internal Revenue Service. Each of those organizations reports through its chain of command to the Deputy Secretary of the Treasury.

You also suggested that Deputy Secretary Altman consult ethics officials. He has done so. I am informed that the RTC's Ethics Officer and Treasury's Designated Agency Ethics Official, in consultation with the Office of Government Ethics, have advised the Deputy Secretary that he is under no legal obligation to recuse himself from matters at the RTC that "may touch upon the President."

I trust this letter fully addresses your concerns.

Sincerely,

Jean E. Hanson
General Counsel

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

May 4, 1993

RECEIVED
MAY 4 1993
Committee on Banking, Finance
& Urban Affairs

Honorable Henry B. Gonzalez
Chairman
Committee on Banking, Finance
and Urban Affairs
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for this opportunity to comment on the issue of extending the limitations period applicable to tort claims brought by the Resolution Trust Corporation in its capacity as conservator or receiver of a failed insured depository institution.

As you know, over a year ago the RTC generally supported legislative efforts to extend this limitations period because its Professional Liability Section (PLS) was facing a peak number of institutions which were closed in 1989 and for which the federal limitations period would be expiring during 1992 and the first quarter of 1993. The limitations period expired during this time for 410 of the 752 thrifts under RTC control for PLS purposes. The RTC, however, survived this critical period of time without missing a deadline. In fact, as of March 31, 1993, the RTC had 320 pending offensive lawsuits involving RTC claims filed in 174 institutions. As of the same date, 120 settlement agreements have been executed, and 11 cases went to final judgment through trial.

In addition, beginning last autumn, the RTC has been increasing PLS staff to meet the demands of its workload. The Secretary of the Treasury, in his capacity as Chairman of the Thrift Depositor Protection Oversight Board, has further committed to review and recommend improvements in the organization and staffing of PLS as part of his nine-point plan for the RTC, recently announced during his semi-annual testimony before Congress. Consequently, the RTC has no need at this time either to revisit "closed"

801 17th Street, N.W. Washington, D.C. 20434

claims arising in institutions in which the limitations period has expired or to extend the limitations period prospectively as the RTC will continue to meet all upcoming deadlines.

Please let me know if you need any further information.

Sincerely,

Roger C. Altman
Interim CEO

THE WHITE HOUSE
WASHINGTON

February 10, 1994

Dear Congressman Wolf:

Thank you for your letter of January 11, which asks whether public funds are being used to provide the President with legal assistance related to issues surrounding Whitewater Development Corporation and the former Madison Guaranty Savings and Loan.

As I am sure you realize, an investigation affecting a sitting President necessarily requires the official attention of the White House staff, including the Office of the Counsel to the President. For example, the White House has been called upon to respond to various inquiries from members of Congress. Similarly, members of the press have made inquiries to the White House. These inquiries have required responses from the White House, including legal judgments on matters affecting the office of President of the United States.

As you know, however, the President and Mrs. Clinton are represented personally by a private attorney. No public funds are being used to compensate that attorney. Furthermore, no White House staff members are acting as lawyers for the President and the First Lady where there is no official nexus.

Thank you for your interest in this matter.

FEB 15 1994

Sincerely,

Bernard W. Nussbaum
Counsel to the President

The Honorable Frank R. Wolf
Member of Congress
U.S. House of Representatives
Washington, D.C. 20515

RTC Early Bird

Washington, D.C. Friday, February 25, 1994

The following are emerging news stories the Office of Corporate Communications anticipates will be published in the days and weeks ahead. This report is for internal use only. Staff should not inform reporters of stories identified here that are being prepared by competitors.

- *The Washington Times* is expected to have a follow-up story on Interim CEO Roger Altman's remarks yesterday confirming a meeting he had with White House officials regarding procedural matters and Madison Guaranty (McCrory, AR).

- In a follow-up report on the RTC review of the Rose Law Firm, *The New York Times* may raise questions about the use of the firm by the FDIC, the FSLIC, and the RTC due to the fact Rose itself had entered into a $3 million professional liability settlement relating to its work for FirstSouth Savings (Pinebluff, AR).

– Steve Katsanos

- The Rose Law Firm's ongoing contractual relationship with the RTC as well as its past work with the RTC and the FDIC may be the subject of a story in *The Wall Street Journal* this weekend.

– Felisa Neuringer

- Three resolutions today should be covered by newspapers in Illinois, New Jersey, and Maryland.

– Mike Fulwider

- Reporter Bruce Alpert's failed attempt to crash the FDIC/RTC Outside Conflicts Committee meeting may be mentioned in a report in the New Orleans *Times Picayune* concerning the RTC's deliberations over the use of Congressman Jefferson's former law firm, Bryan Jupiter.

– Felisa Neuringer

RTC Early Bird

Washington, D.C. Friday, March 4, 1994

The following are emerging news stories the Office of Corporate Communications anticipates will be published in the days and weeks ahead. This report is for internal use only. Staff should not inform reporters of stories identified here that are being prepared by competitors.

- **The New York State Attorney's campaign to focus public opposition to a recent federal appeals court ruling on rent control is expected to result in additional stories in the *New York Daily News*.**

– Anne Freeman

- ***Newsweek* and several other news organizations are intensifying their review of Webster Hubbell and whether he should have been used in RTC and FDIC litigation involving Madison Guaranty (McCrory, AR).**

- ***Time* and *Newsweek* are wrapping up pieces on this week's disclosure regarding briefings at the White House involving high-level Treasury officials. *Time* may question whether the RTC can function independently given recent appointments to high-level agency positions by the Treasury.**

– Steve Katsanos

RTC Early Bird

Washington, D.C.

Tuesday, March 8, 1994

The following are emerging news stories the Office of Corporate Communications anticipates will be published in the days and weeks ahead. This report is for internal use only. Staff should not inform reporters of stories identified here that are being prepared by competitors.

- The *New Orleans Times-Picayune* is preparing a story on the outcome of deliberations regarding the conflicts committee's review of the Bryan Jupiter law firm. Documents have not yet been released to the RTC Reading Room.

  – Steve Katsanos
  – Felisa Neuringer

- *The New York Times* is following up on a federal appeals court decision regarding state rent control restrictions on RTC-controlled apartments in Manhattan.

  – Felisa Neuringer

- *The Washington Post* is trying to confirm that in early February the question of entering into a tolling agreement with the Rose Law Firm was discussed with White House officials by a senior, but temporary, RTC official. The *Post*, like *ABC*, is also trying to confirm whether this official asked that RTC officials brief the President's outside counsel.

  – Steve Katsanos

02/28/94 17:46

(21)

Bob Dole

NEWS U.S. SENATOR FOR KANSAS

FROM: SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE
Monday, February 28, 1994

CONTACT: CLARKSON HINE
(202) 224-5358

ALTMAN CONFLICT

Altman's Whitewater-Madison Revelation Underscores Need for Congressional Hearings

Imagine this: Ronald Reagan, as Governor of California, becomes a 50-50 partner in a real estate deal with the owner of a California savings and loan. The S&L goes under, is seized by federal regulators, and a series of criminal and civil investigations are initiated by federal regulators.

Governor Reagan becomes President Reagan. He appoints a close personal friend and top campaign official, Jim Baker, to head the independent agency charged with overseeing the S&L industry and with bringing civil and criminal actions against S&L wrongdoers.

Press reports suggest that the President may be indirectly implicated in a civil suit brought against the California S&L by the supposedly independent federal agency. As the expiration date for the civil statute of limitations approaches, Mr. Baker meets at the White House with Ed Meese, Mike Deaver, and other White House political officials to discuss "the status" of the agency's investigation. The White House meeting is shrouded in secrecy, only to be revealed weeks later because of congressional prodding.

Of course, this is all fiction. But, it's fair to say that if these events had indeed occurred during the Reagan administration, the expressions of outrage in the press, and the clamor for congressional hearings, would have shot off the political Richter scale.

The Altman Conflict & Belated Recusal

Last Thursday, Roger Altman, a college classmate of President Clinton and the acting C.E.O of the supposedly independent Resolution Trust Corporation, revealed for the first time that he sought out a meeting with White House officials, allegedly to offer a "heads up" on the so-called Madison Guaranty statute of limitations issue. According to Mr. Altman's own account, he didn't even seek a meeting with David Kendall, President Clinton's personal attorney, but rather with White House "political" officials--Bernard Nussbaum, Harold Ickes, and Margaret Williams, the Chief of Staff for the First Lady.

With the exception of the New York Times and the Washington Times, and today the Washington Post, the press reaction to the Altman revelation--and the glaring conflict of interest it describes--has been muted at best. In fact,

(more)

USA Today reported that the Altman meeting was "minor" and there was probably "nothing improper" about it. Apparently, Mr. Altman didn't buy into this benign description, since he finally recused himself from the Madison matter last Friday.

Need for Hearings

Mr. Altman's shocking revelation underscores the need for full congressional hearings on the Madison-Whitewater affair. As the New York Times editorialized yesterday: "Senator Donald Riegle, the Chairman of the Senate Banking Committee, needs to step up his Committee's oversight activities....Opposition leaders are right when they say that a Republican White House that so recklessly meddled in the Justice Department, the R.T.C. and other agencies would be shelled with endless congressional investigations." Unquote.

The bottom line is: the American people now know about Mr. Altman's unseemly meeting with White House officials precisely because Banking Committee Republicans used the opportunity of an R.T.C. oversight hearing to ask Madison-related questions. If there had been no hearing, it's unlikely this information would have surfaced anytime soon. And it's clear that Mr. Altman recused himself only because of the negative publicity his meeting inspired.

Other Questions

The Altman revelation also raises other important questions: did Mr. Altman have any contacts with the FDIC while the FDIC's legal division was preparing its "conflicts-of-interest" opinion regarding the Rose law firm? If so, what were the nature of these contacts? Has Mr. Altman had any discussions with Webster Hubbell, a former partner of the Rose law firm and now Associate Attorney General, regarding the RTC's criminal referrals on Madison and the RTC's pending civil investigation? And has Mr. Hubbell himself had any contacts with officials at the FDIC, the RTC, or the White House about any element of the Madison-Whitewater affair?

Why did White House Counsel Bernard Nussbaum meet with Mr. Altman in the first place? Surely, he was aware of the impropriety of such a meeting. Has Mr. Nussbaum been in touch with the RTC, the FDIC, or the Justice Department about Madison-Whitewater?

You know you're heading in the right direction when tough questions are responded to not with substantive answers, but with personal attacks. Unfortunately, David Wilhelm, the Chairman of the Democratic National Committee, took this low-road approach when he fired off a letter last Friday personally attacking the integrity of Senator D'Amato, the ranking member of the Senate Banking Committee.

If Mr. Wilhelm believes these bullying tactics will somehow intimidate congressional Republicans, I have some bad news for him: they won't. We will continue to ask the tough questions until the American people get the full accounting of Whitewater that they deserve.

###

Al D'Amato News Releas
NEW YORK
Contacts: Washington • Frank Coleman • 202/224-6498 New York • Zenia Mucha • 212/736-38

FOR IMMEDIATE RELEASE:
Tuesday, March 1, 1994

CONTACT: Frank Coleman
(202) 224-6498

D'AMATO BLASTS WHITE HOUSE STATEMENTS ON SECRET RTC BRIEFINGS
"PATTERN OF DECEPTION" CONTINUES IN MADISON/WHITEWATER AFFAIR

WASHINGTON -- U.S. Senator Alfonse D'Amato (R-NY) today called for Senate Banking Committee hearings into secret briefings provided by the head of Resolution Trust Corporation (RTC) for senior White House political staff about the agency's investigation of the Madison/Whitewater affair.

D'Amato also charged that since the disclosure of the secret "heads up" was revealed at last Thursday's Banking Committee hearing, the White House was continuing its pattern of deception by suggesting that the same briefings were provided to Congress and the press.

"The White House has now compounded these shocking revelations by stating falsely that Congress and the media also received these briefings," D'Amato charged. "At the time this secret cabal was meeting at the White House, I was speaking out on the Senate floor about the RTC's failure to provide our Committee with any information about its activities on the Madison/Whitewater mess. And I have yet to encounter a reporter covering this story who says he or she was briefed by the RTC, let alone its acting CEO."

D'Amato, senior Republican on the committee, added that the exposure of the secret briefings at a Banking Committee hearing proved that Democrats needed to end their "footdragging" over whether or not to hold hearings.

"Only through a Congressional hearing did we learn of this very real threat to the integrity of the RTC's investigation," D'Amato pointed out. "We have a responsibility to the American people to fulfill our legitimate oversight function.

"The Democratic members of this committee must understand the threat is not Congressional inquiry, but secret, high level off-the-record 'heads-up' meetings between top Administration officials and White House legal and political experts," the Senator stated. The secret briefing, described as a "heads-up" by acting RTC head Roger Altman was presented to White House Counsel Bernard Nussbaum, Deputy Chief of Staff Harold Ickes, Hillary Clinton's Chief of Staff Margaret Williams and Treasury General Counsel Jean Hansen.

Among the questions D'Amato said could be answered by a hearing: Why does White House Counsel Mr. Nussbaum need to be briefed on the RTC's investigation of Madison that does not involve the President in his official capacity? And what about Mr. Ickes and Ms. Williams? Why in the world would these political operatives need to be briefed by a top agency official on an investigation that has nothing to do with the Executive Office of the President? Were any confidential or non confidential RTC or law enforcement documents or other materials used during the briefing?

-fc022894-

U.S. SENATOR
Al D'Amato **News Release**
NEW YORK
Contacts: Washington • Frank Coleman • 202/224-6498 New York • Zenia Mucha • 212/736-3865

FOR IMMEDIATE RELEASE:
Friday, February 25, 1994

CONTACT: Frank Coleman 202-224-6498
Zenia Mucha 212-736-3865

D'AMATO DENOUNCES DNC CHAIRMAN'S POLITICAL STRONGARM TACTICS

WASHINGTON -- U.S. Senator Alfonse M. D'Amato (R-NY) today denounced the political intimidation tactics being used by Democratic National Committee Chairman David Wilhelm to prevent further investigation of the growing Whitewater/Madison scandal.

"It is an outrage that the President and First Lady would use their handpicked political hatchetman to try and intimidate the legitimate oversight responsibilities I have as a United States Senator. This is another clear sign that something is rotten in Little Rock," said D'Amato.

Attached is the letter from Wilhelm to Senator D'Amato and D'Amato's response.

# # #

1575

February 25, 1994

Senator Alfonse D'Amato
United States Senate
520 Hart Senate Office Building
Washington, D.C. 20515

Dear Senator D'Amato:

It is clear you are the leader of the Senate GOP attack on the credibility of the RTC FDIC investigations of Madison Guaranty Savings and Loan and the Rose Law Firm. You c you are motivated by concern over possible ethics violations and not political partisanship that light, it seems only appropriate we examine your own history because your accusatio conflict of interest seem more appropriately applied to yourself.

You have sought to extend the statute of limitations in the RTC savings and investigation because of a potential conflict of interest with regard to Madison. However, need only cursory examination to see that you are a more appropriate target for extension statute of limitations. Your actions present a clear pattern of conflict of interest over sav and loans and other business interests.

You personally benefitted from the existence of a statute of limitations. In 1986, t highly respected deans of leading law schools said new evidence "proves the probabilit perjury" in your testimony before a 1975 federal grand jury. As I'm sure you will recall, testified you were unaware of the "1 percent rule," a practice of forced payments by emplo of the town of Hempstead to the Nassau County Republican Committee. These paym occurred while you were Hempstead's Town Supervisor and Vice-Chairman of the county pa

In 1985, it became public you were in fact very much aware of the practice at the of your testimony, and had been actively involved in collecting those payments on behalf of Nassau County Republican Committee. It became public through release of a letter you wr in which you claimed success in collecting this payment from a particular employee. Your le became key evidence in the trial proving the existence of the "1 percent rule." However, by time the new evidence emerged, you were immune from prosecution because the statute limitations on the case had run out.

Your position on the statute of limitations would have more personal credibility if demonstrated consistency by fighting to extend the statute of limitations on your own grand testimony in the Nassau County case. You also criticized a 1993 amendment which would h extended the statute of limitations on bringing legal action against negligent savings and l

Democratic Party Headquarters • 430 South Capitol Street, S.E. • Washington, D.C. 20003 • 202.863.8000 • FAX: 202

Paid for by the Democratic National Committee. Contributions to the Democratic National Committee are not tax d

directors. [illegible] voted to protect directors of savings and loan institutions by leaving the statute of [illegible] in place.

In addition, [illegible] point fingers of blame in the Savings and Loan collapse and clean-up you should [illegible] to point to yourself. Your gutting of legislation to tighten regulation on corporate [illegible] resulted in the removal of a provision that would have limited S&L purchases of junk bonds. Your contribution records demonstrate a curious pattern of financial support from junk bond dealers and thrift operators at the same time you have worked to weaken legislation which would have restricted junk bond investments by savings and loan institutions. Of course, weaker legislation has now cost taxpayers billions of dollars in clean-up.

Finally, your charges of unethical management do not reflect your own experience of being found by the Senate Ethics committee to have "conducted the business of {your} office in an improper and inappropriate manner" that permitted your brother Armand to send letters to the Pentagon urging approval of weapons contracts for a company he represented.

I hope you will give serious consideration to the points discussed here and that you will take action to extend the statute of limitations on your testimony of 1975.

Sincerely,

David Wilhel

David Wilhelm
Chairman

ALFONSE D'AMATO
NEW YORK

United States Senate
WASHINGTON DC 20510

February 25, 1994

Mr. David Wilhelm, Chairman
Democratic National Committee
430 South Capitol Street, SE
Washington D.C. 20003

Dear Chairman Wilhelm:

I am in receipt of your letter from this afternoon. It only reconfirms my suspicion that something is rotten in Little Rock. You can be sure that I will now redouble my efforts to get to the bottom of this Whitewater/Madison scandal.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
United States Senator

P.S. Your attempt to interject political intimidation into this process is despicable.

Washington Post 2/26/94

Senior Official Steps Aside in Probe Of S&L Linked to Clintons' Venture

By Susan Schmidt
and Charles R. Babcock
Washington Post Staff Writers

Deputy Treasury Secretary Roger C. Altman, a political appointee serving as temporary chief of the federal thrift cleanup agency, recused himself yesterday from any further action on the investigation of an Arkansas savings and loan with ties to President Clinton and Hillary Rodham Clinton.

Altman announced he was taking the step one day after revealing during congressional questioning that he recently briefed White House officials on how his agency would proceed with potential civil claims growing out of the failure of Madison Guaranty Savings & Loan. Altman's disclosure, under questioning from Republican senators, was criticized as evidence that the White House is improperly interfering in a case that directly affects the Clintons.

Altman also said he will step down as interim head of the Resolution Trust Corp. at the end of March. The administration is expected to nominate a permanent chief soon for the RTC, which by law is supposed to be an independent federal agency. Treasury officials said Altman did not believe the Madison investigation presented a conflict for him but realized there was the appearance of conflict and decided to recuse himself for that reason.

The RTC is disposing of failed S&Ls and pursuing civil and criminal cases against officers, directors, lawyers, accountants, borrowers and others. Hillary Clinton and her former associates at the Rose Law Firm in Little Rock, Ark., represented Madison before state regulators in the mid-1980s.

Altman told the Senate Banking Committee that he contacted White House counsel Bernard Nussbaum about three weeks ago and offered to meet with him to explain what the RTC would do as the deadline for filing civil claims in the Madison probe neared. That deadline was Feb. 28, but Congress has extended it until the end of 1995.

Altman said he met with Nussbaum; Margaret Williams, Hillary Clinton's chief of staff; and the president's deputy chief of staff, Harold Ickes, who has been assigned the task of damage control in the Whitewater probe.

White House officials yesterday defended the meeting. "There's nothing improper about it," said White House press secretary Dee Dee Myers. "He basically informed the White House—as he did Congress, as he did the press. It was strictly a procedural briefing. There was nothing available that was not available to members of the press or Congress."

Altman said he told White House aides during the meeting that if the RTC found a claim was warranted, it would either file a lawsuit or ask potential defendants to voluntarily sign agreements extending the deadline. He said he already had given such information to inquiring Republican members of Congress.

Meanwhile, Rep. Jim Leach (Iowa), the ranking Republican on the House Banking Committee, yesterday released portions of a taped conversation in which the Clintons' former business partner, James McDougal, disputes their accounting of their investment in their joint Whitewater land venture. McDougal said in the 1992 conversation that the Clintons never made a $9,000 interest payment that they claimed on their 1980 federal income taxes and that they used corporate assets to pay off a personal loan.

In a memo to minority committee members, Leach said McDougal's comments "appear to indicate that the Clintons lost no money in Whitewater" and "suggest that the tax consequences which emanate from this venture merit careful scrutiny."

Leach, who has been gathering documents for hearings he plans to hold next month on the Whitewater matter, said in an interview yesterday that he considered McDougal's comments important because, "he is sitting down with book ledgers, which lends it great credibility."

The tape was made during a talk McDougal had in the spring of 1992 with Sheffield Nelson, who ran for governor against Clinton in 1990 and was himself an investor in a project financed through the McDougal-owned Madison Guaranty Savings & Loan.

The Clintons claimed in their 1980 federal tax returns that they made $9,000 in interest payments to McDougal related to the Whitewater venture. "They didn't pay me. . . . They have never paid me a penny's interest," McDougal said.

In recent weeks, McDougal has said that he could recall the Clintons putting about $13,500 into Whitewater, not the $68,900 they claimed when the investment became an issue in the 1992 presidential primaries and since.

Referring to the 1992 taped conversation, Bruce Lindsey, a senior White House aide, said yesterday, "I think he [McDougal] is confused. He has said he is relying on his memory with these amounts, and his memory is mistaken."

Lindsey said in an earlier interview that he believed the Clintons paid McDougal $9,000 in 1980 to compensate him for interest he had paid on a joint loan used to finance the Whitewater venture.

Special counsel Robert B. Fiske Jr. is now trying to sort out Whitewater's finances as part of an intense Justice Department investigation.

In the taped conversation with Nelson, apparently just after the Clinton campaign released a report about the Whitewater investment, McDougal said: "I could sink it [the $68,900 figure] quicker than they could lie about it if I could get in a position so I wouldn't have my head beaten off. And Bill knows that."

In the transcript, McDougal said the Clintons personally sold "a corporate asset" for which Whitewater had made all the payments. He was referring to a lot and model home on the Whitewater property. Lindsey said the Clintons made some payments on the lot.

Last night, McDougal said a transcript read to him "sounds fabricated." He told the Associated Press, "I'm reserving any further comment until whatever Republican prepared the transcript makes the original tape available."

In another development, Sen. Alfonse M. D'Amato (R-N.Y.) accused Democratic National Committee Chairman David Wilhelm of using "political intimidation tactics" in a letter criticizing D'Amato for leading the GOP charge on Whitewater.

In the Feb. 25 letter, Wilhelm said D'Amato's own actions "present a clear pattern of conflict of interest over savings and loans and other business interests." As one example, he cited a Senate ethics committee probe of D'Amato's conduct in permitting his brother Armand to send letters under his name to the Pentagon to lobby for a contract.

D'Amato's reply said the letter "reconfirms my suspicion that something is rotten in Little Rock."

Staff writer Ruth Marcus contributed to this report.

NY Times 2/27/94

Slovenly White House Ethics

President Clinton and his helpers keep saying they have nothing to hide on Whitewater. So some evil genie must be making them act as if they do. The latest affront is the boneheaded conclave convened by Deputy Treasury Secretary Roger Altman to give a "heads up" to three White House officials about the Resolution Trust Corporation inquiry into a savings and loan association connected to Mr. and Mrs. Clinton.

Mr. Altman said he wanted to brief Bernard Nussbaum, the White House counsel, Harold Ickes, the deputy chief of staff, and Margaret Williams, the First Lady's chief of staff, on when the statute of limitations would run out on the R.T.C. investigation of Madison Guaranty Savings and Loan.

That is an interesting question and not unrelated to other questions that Republicans on the Senate Banking Committee and other reasonably curious Americans would like to have answered. Here are four:

1. Was Madison used to convert Clinton campaign funds to personal funds for the then Governor?

2. Did a regulator appointed by Governor Clinton go easy on Madison because it was owned by the Clintons' political ally, James McDougal, who was also the Clintons' business partner in the Whitewater Development Company?

3. Did the Clintons pay the same amount of money for their half share of Whitewater that Mr. McDougal paid for his? This question is important because it bears on whether Mr. Clinton, while Governor, received gifts or claimed undeserved tax deductions in connection with Whitewater.

4. Did Mrs. Clinton's law firm behave properly in its dealings with Madison and bank regulators?

Given that such questions are now before a special counsel and the R.T.C., a meeting between Mr. Altman and top White House aides was improper on its face. It could never have taken place in a White House that had even a rudimentary respect for the common-sense rules on conflict of interest. The Clinton team has taken the nation back to the sham ethics of the early Reagan Administration. That crowd believed conflicts of interest could not exist since they could not conceive of letting any law or rule of propriety interfere with the political and financial interests of the President or his buddies.

The stated reason for this meeting will not wash. Information on the statute of limitations could be had from the newspapers or a brief memo from the R.T.C. legal staff. Senator Alfonse D'Amato and Representative Jim Leach therefore have reason to suspect that the goal of the meeting was to control political damage or compromise the R.T.C.'s investigation. Who knows what the White House has learned about the R.T.C. findings? After all, it was only through Mr. D'Amato's efforts that the Government released an R.T.C. document suggesting that Mrs. Clinton's law firm had failed at proper disclosure of its dealings with Madison.

In response to bad publicity, Mr. Altman has recused himself from the R.T.C. inquiry on Whitewater. His R.T.C. deputy should now take over all his duties at the agency until a permanent director is appointed. Senator Donald Riegle, the chairman of the Senate Banking Committee, needs to step up his committee's oversight activities. Other Democrats like Senator John Kerry need to cease their myopic defense of Mr. Clinton on a matter about which neither the Senator nor the public has been fully informed.

Opposition leaders are right when they say that a Republican White House that so recklessly meddled in the Justice Department, the R.T.C. and other agencies would be shelled with endless Congressional investigations. It is time for the Democratic Congressional leaders, Thomas Foley and George Mitchell, to try to educate this White House about the normal protocols of governance. Explaining what Representative Leach meant when he said "arm's length" would be a start.

Clinton aides behave as if their President had deep deposits of public trust. In fact, that account was pretty slim when Mr. Clinton got to Washington, and it is just about tapped out now.

Al D'Amato News
Releas
NEW YORK
Contacts: Washington • Frank Coleman • 202/224-6498 New York • Zenia Mucha • 212/736-3

FOR IMMEDIATE RELEASE:
Tuesday, March 1, 1994

CONTACT: Frank Coleman
(202) 224-6498

D'AMATO BLASTS WHITE HOUSE STATEMENTS ON SECRET RTC BRIEFINGS
"PATTERN OF DECEPTION" CONTINUES IN MADISON/WHITEWATER AFFAIR

WASHINGTON -- U.S. Senator Alfonse D'Amato (R-NY) today called for Senate Banking Committee hearings into secret briefings provided by the head of Resolution Trust Corporation (RTC) for senior White House political staff about the agency's investigation of the Madison/Whitewater affair.

D'Amato also charged that since the disclosure of the secret "heads up" was revealed at last Thursday's Banking Committee hearing, the White House was continuing its pattern of deception by suggesting that the same briefings were provided to Congress and the press.

"The White House has now compounded these shocking revelations by stating falsely that Congress and the media also received these briefings," D'Amato charged. "At the time this secret cabal was meeting at the White House, I was speaking out on the Senate floor about the RTC's failure to provide our Committee with any information about its activities on the Madison/Whitewater mess. And I have yet to encounter a reporter covering this story who says he or she was briefed by the RTC, let alone its acting CEO."

D'Amato, senior Republican on the committee, added that the exposure of the secret briefings at a Banking Committee hearing proved that Democrats needed to end their "footdragging" over whether or not to hold hearings.

"Only through a Congressional hearing did we learn of this very real threat to the integrity of the RTC's investigation," D'Amato pointed out. "We have a responsibility to the American people to fulfill our legitimate oversight function.

"The Democratic members of this committee must understand the threat is not Congressional inquiry, but secret, high level off-the-record 'heads-up' meetings between top Administration officials and White House legal and political experts," the Senator stated. The secret briefing, described as a "heads-up" by acting RTC head Roger Altman was presented to White House Counsel Bernard Nussbaum, Deputy Chief of Staff Harold Ickes, Hillary Clinton's Chief of Staff Margaret Williams and Treasury General Counsel Jean Hansen.

Among the questions D'Amato said could be answered by a hearing: Why does White House Counsel Mr. Nussbaum need to be briefed on the RTC's investigation of Madison that does not involve the President in his official capacity? And what about Mr. Ickes and Ms. Williams? Why in the world would these political operatives need to be briefed by a top agency official on an investigation that has nothing to do with the Executive Office of the President? Were any confidential or non confidential RTC or law enforcement documents or other materials used during the briefing?

-fc022894-

U.S. SENATOR
Al D'Amato News Release
NEW YORK
Contacts: Washington • Frank Coleman • 202/224-6498 New York • Zenia Mucha • 212/736-3665

FOR IMMEDIATE RELEASE:
Friday, February 25, 1994

CONTACT: Frank Coleman 202-224-6498
Zenia Mucha 212-736-3665

D'AMATO DENOUNCES DNC CHAIRMAN'S POLITICAL STRONGARM TACTICS

WASHINGTON -- U.S. Senator Alfonse M. D'Amato (R-NY) today denounced the political intimidation tactics being used by Democratic National Committee Chairman David Wilhelm to prevent further investigation of the growing Whitewater/Madison scandal.

"It is an outrage that the President and First Lady would use their handpicked political hatchetman to try and intimidate the legitimate oversight responsibilities I have as a United States Senator. This is another clear sign that something is rotten in Little Rock," said D'Amato.

Attached is the letter from Wilhelm to Senator D'Amato and D'Amato's response.

# # #

15762

United States Senate • Washington, D.C. 20510 • (202) 224-6542

February 25, [illegible]

Senator Alfonse D'Amato
United States Senate
520 Hart Senate Office Building
Washington, D.C. 20515

Dear Senator D'Amato:

It is clear you are the leader of the Senate GOP attack on the credibility of the RT(FDIC investigations of Madison Guaranty Savings and Loan and the Rose Law Firm. You you are motivated by concern over possible ethics violations and not political partisanshi: that light, it seems only appropriate we examine your own history because your accusatic conflict of interest seem more appropriately applied to yourself.

You have sought to extend the statute of limitations in the RTC savings and investigation because of a potential conflict of interest with regard to Madison. However need only cursory examination to see that you are a more appropriate target for extensior statute of limitations. Your actions present a clear pattern of conflict of interest over sa and loans and other business interests.

You personally benefitted from the existence of a statute of limitations. In 1986, highly respected deans of leading law schools said new evidence "proves the probabili perjury" in your testimony before a 1975 federal grand jury. As I'm sure you will recall, testified you were unaware of the "1 percent rule," a practice of forced payments by emplc of the town of Hempstead to the Nassau County Republican Committee. These payr occurred while you were Hempstead's Town Supervisor and Vice-Chairman of the county p

In 1985, it became public you were in fact very much aware of the practice at the of your testimony, and had been actively involved in collecting those payments on behalf c Nassau County Republican Committee. It became public through release of a letter you w in which you claimed success in collecting this payment from a particular employee. Your : became key evidence in the trial proving the existence of the "1 percent rule." However, b time the new evidence emerged, you were immune from prosecution because the statu: limitations on the case had run out.

Your position on the statute of limitations would have more personal credibility if demonstrated consistency by fighting to extend the statute of limitations on your own grand testimony in the Nassau County case. You also criticized a 1993 amendment which would extended the statute of limitations on bringing legal action against negligent savings and

Democratic Party Headquarters • 430 South Capitol Street, S.E. • Washington, D.C. 20003 • 202.863.8000 • FAX: 20:

Paid for by the Democratic National Committee. Contributions to the Democratic National Committee [illegible]

directors. [illegible] voted to protect directors of savings and loan institutions by leaving the statute of [illegible] in place.

In [illegible] point fingers of blame in the Savings and Loan collapse and clean-up you should [illegible] to point to yourself. Your gutting of legislation to tighten regulation on corporate [illegible] resulted in the removal of a provision that would have limited S&L purchases of junk bonds. Your contribution records demonstrate a curious pattern of financial support from junk bond dealers and thrift operators at the same time you have worked to weaken legislation which would have restricted junk bond investments by savings and loan institutions. Of course, weaker legislation has now cost taxpayers billions of dollars in clean-up.

Finally, your charges of unethical management do not reflect your own experience of being found by the Senate Ethics committee to have "conducted the business of (your) office in an improper and inappropriate manner" that permitted your brother Armand to send letters to the Pentagon urging approval of weapons contracts for a company he represented.

I hope you will give serious consideration to the points discussed here and that you will take action to extend the statute of limitations on your testimony of 1975.

Sincerely,

David Wilhel

David Wilhelm
Chairman

ALFONSE D'AMATO
NEW YORK

United States Senate
WASHINGTON DC 20510

February 25, 1994

Mr. David Wilhelm, Chairman
Democratic National Committee
430 South Capitol Street, SE
Washington D.C. 20003

Dear Chairman Wilhelm:

I am in receipt of your letter from this afternoon. It only reconfirms my suspicion that something is rotten in Little Rock. You can be sure that I will now redouble my efforts to get to the bottom of this Whitewater/Madison scandal.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
United States Senator

P.S. Your attempt to interject political intimidation into this process is despicable.

Washington Post 2/26/94

Senior Official Steps Aside in Probe Of S&L Linked to Clintons' Venture

By Susan Schmidt
and Charles R. Babcock
Washington Post Staff Writers

Deputy Treasury Secretary Roger C. Altman, a political appointee serving as temporary chief of the federal thrift cleanup agency, recused himself yesterday from any further action on the investigation of an Arkansas savings and loan with ties to President Clinton and Hillary Rodham Clinton.

Altman announced he was taking the step one day after revealing during congressional questioning that he recently briefed White House officials on how his agency would proceed with potential civil claims growing out of the failure of Madison Guaranty Savings & Loan. Altman's disclosure, under questioning from Republican senators, was criticized as evidence that the White House is improperly interfering in a case that directly affects the Clintons.

Altman also said he will step down as interim head of the Resolution Trust Corp. at the end of March. The administration is expected to nominate a permanent chief soon for the RTC, which by law is supposed to be an independent federal agency.

Treasury officials said Altman did not believe the Madison investigation presented a conflict for him but realized there was the appearance of conflict and decided to recuse himself for that reason.

The RTC is disposing of failed S&Ls and pursuing civil and criminal cases against officers, directors, lawyers, accountants, borrowers and others. Hillary Clinton and her former associates at the Rose Law Firm in Little Rock, Ark., represented Madison before state regulators in the mid-1980s.

Altman told the Senate Banking Committee that he contacted White House counsel Bernard Nussbaum about three weeks ago and offered to meet with him to explain what the RTC would do as the deadline for filing civil claims in the Madison probe neared. That deadline was Feb. 28, but Congress has extended it until the end of 1995.

Altman said he met with Nussbaum; Margaret Williams, Hillary Clinton's chief of staff; and the president's deputy chief of staff, Harold Ickes, who has been assigned the task of damage control in the Whitewater probe.

White House officials yesterday defended the meeting. "There's nothing improper about it," said White House press secretary Dee Dee Myers. "He basically informed the White House—as he did Congress, as he did the press. It was strictly a procedural briefing. There was nothing available that was not available to members of the press or Congress."

Altman said he told White House aides during the meeting that if the RTC found a claim was warranted, it would either file a lawsuit or ask potential defendants to voluntarily sign agreements extending the deadline. He said he already had given such information to inquiring Republican members of Congress.

Meanwhile, Rep. Jim Leach (Iowa), the ranking Republican on the House Banking Committee, yesterday released portions of a taped conversation in which the Clintons' former business partner, James McDougal, disputes their accounting of their investment in their joint Whitewater land venture. McDougal said in the 1992 conversation that the Clintons never made a $9,000 interest payment that they claimed on their 1980 federal income taxes and that they used corporate assets to pay off a personal loan.

In a memo to minority committee members, Leach said McDougal's comments "appear to indicate that the Clintons lost no money in Whitewater" and "suggest that the tax consequences which emanate from this venture merit careful scrutiny."

Leach, who has been gathering documents for hearings he plans to hold next month on the Whitewater matter, said in an interview yesterday that he considered McDougal's comments important because, "he is sitting down with book ledgers, which lends it great credibility." The tape was made during a talk McDougal had in the spring of 1992 with Sheffield Nelson, who ran for governor against Clinton in 1990 and was himself an investor in a project financed through the McDougal-owned Madison Guaranty Savings & Loan.

The Clintons claimed in their 1980 federal tax returns that they made $9,000 in interest payments to McDougal related to the Whitewater venture. "They didn't pay me . . . They have never paid me a penny's interest," McDougal said.

In recent weeks, McDougal has said that he could recall the Clintons putting about $13,500 into Whitewater, not the $68,900 they claimed when the investment became an issue in the 1992 presidential primaries and since.

Referring to the 1992 taped conversation, Bruce Lindsey, a senior White House aide, said yesterday "I think he [McDougal] is confused. He has said he is relying on his memory with these amounts, and his memory is mistaken."

Lindsey said in an earlier interview that he believed the Clintons paid McDougal $9,000 in 1980 to compensate him for interest he had paid on a joint loan used to finance the Whitewater venture.

Special counsel Robert B. Fiske Jr. is now trying to sort out Whitewater's finances as part of an intense Justice Department investigation.

In the taped conversation with Nelson, apparently just after the Clinton campaign released a report about the Whitewater investment, McDougal said: "I could sink it [the $68,900 figure] quicker than they could lie about it if I could get in a position so I wouldn't have my head beaten off. And Bill knows that."

In the transcript, McDougal said the Clintons personally sold "a corporate asset" for which Whitewater had made all the payments. He was referring to a lot and model home on the Whitewater property. Lindsey said the Clintons made some payments on the lot.

Last night, McDougal said a transcript read to him "sounds fabricated." He told the Associated Press, "I'm reserving any further comment until whatever Republican prepared the transcript makes the original tape available."

In another development, Sen. Alfonse M. D'Amato (R-N.Y.) accused ~~Democratic~~ National Committee Chairman David Wilhelm of using "political intimidation tactics" in a letter criticizing D'Amato for leading the GOP charge on Whitewater.

In the Feb. 25 letter, Wilhelm said D'Amato's own actions "present a clear pattern of conflict of interest over savings and loans and other business interests." As one example, he cited a Senate ethics committee probe of D'Amato's conduct in permitting his brother Armand to send letters under his name to the Pentagon to lobby for a contract.

D'Amato's reply said the letter "reconfirms my suspicion that something is rotten in Little Rock."

Staff writer Ruth Marcus contributed to this report.

NY Times 2/27/94

Slovenly White House Ethics

President Clinton and his helpers keep saying they have nothing to hide on Whitewater. So some evil genie must be making them act as if they do. The latest affront is the boneheaded conclave convened by Deputy Treasury Secretary Roger Altman to give a "heads up" to three White House officials about the Resolution Trust Corporation inquiry into a savings and loan association connected to Mr. and Mrs. Clinton.

Mr. Altman said he wanted to brief Bernard Nussbaum, the White House counsel, Harold Ickes, the deputy chief of staff, and Margaret Williams, the First Lady's chief of staff, on when the statute of limitations would run out on the R.T.C. investigation of Madison Guaranty Savings and Loan.

That is an interesting question and not unrelated to other questions that Republicans on the Senate Banking Committee and other reasonably curious Americans would like to have answered. Here are four:

1. Was Madison used to convert Clinton campaign funds to personal funds for the then Governor?

2. Did a regulator appointed by Governor Clinton go easy on Madison because it was owned by the Clintons' political ally, James McDougal, who was also the Clintons' business partner in the Whitewater Development Company?

3. Did the Clintons pay the same amount of money for their half share of Whitewater that Mr. McDougal paid for his? This question is important because it bears on whether Mr. Clinton, while Governor, received gifts or claimed undeserved tax deductions in connection with Whitewater.

4. Did Mrs. Clinton's law firm behave properly in its dealings with Madison and bank regulators?

Given that such questions are now before a special counsel and the R.T.C., a meeting between Mr. Altman and top White House aides was improper on its face. It could never have taken place in a White House that had even a rudimentary respect for the common-sense rules on conflict of interest. The Clinton team has taken the nation back to the sham ethics of the early Reagan Administrati That crowd believed conflicts of interest could n exist since they could not conceive of letting any la or rule of propriety interfere with the political a financial interests of the President or his buddies

The stated reason for this meeting will n wash. Information on the statute of limitation could be had from the newspapers or a brief mem from the R.T.C. legal staff. Senator Alfonse D'Amato and Representative Jim Leach therefore have reason to suspect that the goal of the meeting was to control political damage or compromise the R.T.C.'s investigation. Who knows what the White House has learned about the R.T.C. findings? After all, it was only through Mr. D'Amato's efforts that the Government released an R.T.C. document suggesting that Mrs. Clinton's law firm had failed at proper disclosure of its dealings with Madison.

In response to bad publicity, Mr. Altman has recused himself from the R.T.C. inquiry on Whitewater. His R.T.C. deputy should now take over all his duties at the agency until a permanent director is appointed. Senator Donald Riegle, the chairman of the Senate Banking Committee, needs to step up his committee's oversight activities. Other Democrats like Senator John Kerry need to cease their myopic defense of Mr. Clinton on a matter about which neither the Senator nor the public has been fully informed.

Opposition leaders are right when they say that a Republican White House that so recklessly meddled in the Justice Department, the R.T.C. and other agencies would be shelled with endless Congressional investigations. It is time for the Democratic Congressional leaders, Thomas Foley and George Mitchell, to try to educate this White House about the normal protocols of governance. Explaining what Representative Leach meant when he said "arm's length" would be a start.

Clinton aides behave as if their President had deep deposits of public trust. In fact, that account was pretty slim when Mr. Clinton got to Washington, and it is just about tapped out now.

laws, unfunded Federal mandates, and other Federal regulatory requirements, that may prevent or impair the ability of State and local authorities to rebuild expeditiously the areas devastated by the January 1994 earthquake in Southern California. In conducting the study, the Comptroller General shall consult with State and local officials of California.

(b) REPORT.—Not later than 30 days after the date of the amendment of this Act, the Comptroller General shall submit to the Congress a report setting forth findings and recommendations as a result of the study conducted under subsection (a). The report shall include—

(1) an identification of the specific Federal laws, unfunded Federal mandates, and other Federal regulatory requirements, referred to in subsection (a);

(2) an analysis of the manner in which such laws, mandates, and other requirements may prevent or impair the ability of State and local authorities to rebuild expeditiously the areas devastated by the January 1994 earthquake in Southern California; and

(3) recommended forms of, and appropriate time periods for, relief from such laws, mandates, and other requirements.

SEC. 405. In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products, and that notice of this provision be given to such recipient of assistance covered under this Act.

SEC. 406. EXTENSION OF RTC CIVIL STATUTE OF LIMITATIONS.

Section 21A(b)(14)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(14)(C)) is amended by striking clause (i) and inserting in lieu thereof the following:

"(i) the period beginning on the date the claim accrues (as determined pursuant to section 11(d)(14)(B) of the Federal Deposit Insurance Act) and ending on December 31, 1995 or ending on the date of the termination of the Corporation pursuant to section 21A(m)(1), whichever is later; or".

SEC. 407. REPEALS.

Except for subsection (b) of section 3508, sections 3508 and 3509 of the Three Affiliated Tribes and Standing Rock Sioux Tribe Equitable Compensation Act are repealed effective October 30, 1992: Provided, That the U.S. Army Corps of Engineers should proceed with the Secretary of the Interior to designate excess lands and transfer them pursuant to Public Law 80-[illegible].

SEC. 408. It is the sense of the Congress that the Department of Defense should proceed with construction of a new facility for the Walter Reed Army Institute of Research at Forest Glen, Maryland, not late than 45 days after enactment of this Act.

SEC. 409. The Administrator of the Federal Aviation Administration is directed to establish and operate an Auxiliary Flight Service Station at Marquette, Michigan, no later than September 1, 1994, using available funds.

TECHNICAL CORRECTION

SEC. 410. Subsection (b) of section 347 of the National Defense Authorization Act for fiscal year 1994 (Public Law 103-160; 107 Stat. [illegible]

be transferred until the Administrator of NASA certifies a plan that fully funds the LANDSAT 7 program within the NASA budget for fiscal year 1995 and beyond, and such plan has been submitted to the appropriate Congressional oversight committees.

And the Senate agree to the same.

WILLIAM H. NATCHER,
NEAL SMITH,
SIDNEY R. YATES,
DAVID R. OBEY,
LOUIS STOKES,
TOM BEVILL,
JOHN P. MURTHA,
JULIAN C. DIXON,
VIC FAZIO,
W.G. (BILL) HEFNER,
STENY H. HOYER,
BOB CARR,
RICHARD J. DURBIN,
JOSEPH M. MCDADE,
RALPH REGULA,
BOB LIVINGSTON,
(Except for S. 409 of the Senate amendment),
JERRY LEWIS,
HAROLD ROGERS,
JOE SKEEN,
JOHN EDWARD PORTER,
Managers on the Part of the House.

ROBERT C. BYRD,
DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
J. BENNETT JOHNSTON,
PATRICK LEAHY,
JIM SASSER,
DENNIS DECONCINI,
DALE BUMPERS,
FRANK R. LAUTENBERG,
TOM HARKIN,
BARBARA A. MIKULSKI,
HARRY REID,
J. ROBERT KERREY,
HERB KOHL,
PATTY MURRAY,
DIANNE FEINSTEIN,
MARK O. HATFIELD,
TED STEVENS,
THAD COCHRAN,
ALFONSE M. D'AMATO,
ARLEN SPECTER,
PETE V. DOMENICI,
PHIL GRAMM,
CHRISTOPHER S. BOND,
SLADE GORTON,
MITCH MCCONNELL,
CONNIE MACK,
CONRAD BURNS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3759) making emergency supplemental appropriations for the fiscal year ending September 30, 1994, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein.

HISTORY OF THE BILL

H.R. 3759 as reported by the House Committee on Appropriations included emergency supplemental appropriations for the Southern California Earthquake, for peacekeeping and peace enforcing costs of the Department of Defense, and for additional disaster recovery expenses due to the Midwest floods of 1993 and the Loma Prieta Earthquake. The bill was amended by the House to include a package of rescissions that was reported to the House in H.R. 3541. That bill was developed based on rescission requests made by the President. Previously, this package of rescissions had passed the House as Title XVII of H.R. 3400. After House action on H.R. 3759, additional supplemental appropriations and rescission requests were made by the President and all pending requests were considered by the Senate in the development of the Senate amendment.

TITLE I—EMERGENCY SUPPLEMENTAL APPROPRIATIONS

CHAPTER I

DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

SOIL CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

The conference agreement includes $300,500,000 for the Watershed and Flood Prevention Operations of the Soil Conservation Service as proposed by both the House and the Senate. This funding is available until expended, as proposed by the Senate, instead of until September 30, 1995, as proposed by the House. The conference agreement also includes language to allow additional enrollment into the emergency Wetlands Reserve Program as proposed by both the House and the Senate.

The conference agreement includes Senate language to provide that assistance may be made available when the primary beneficiary is agriculture or agribusiness regardless of drainage size. The conference agreement also provides that not more than $50,000,000 may be used for drainage areas not currently covered by the Soil Conservation Service. The House bill contained no similar provision. The conferees are concerned with how the Department will decide what additional work will be done under this new statutory proviso. The conferees direct the Soil Conservation Service to submit criteria to the Committees on Appropriations within 30 days of enactment on how projects will be prioritized and selected.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

EMERGENCY CONSERVATION PROGRAM

The conference agreement includes

Statement by

Representative James A. Leach

before the

U.S. House of Representatives

March 24, 1994

Mr. Speaker, I rise to a point of personal privilege of the House.

In rising to this point of privilege, I wish to express concern about the breakdown of comity that has occurred on a personal and procedural level in the House Banking Committee.

On a personal level unfortunate adjectives have been used; on a procedural level unprecedented tactics have been employed.

I don't wish to dwell on the personal, except to stress my high regard for the Chairman of the Banking Committee and to suggest that, as the theologian Reinhold Niebuhr once observed, the temper and integrity of the political debate is more important in our kind of democracy than the outcome of any issue.

Motivational aspersions are no substitute for full disclosure; indignation no substitute for pursuit of truth.

Members of the Majority may be speaking the truth when they indicate they have no evidence of a link between the failure of an Arkansas S&L and Whitewater and that they know of no improprieties at issue. But it should be understood that not speaking an untruth is not the same as describing a truthful situation, particularly if there has been no serious effort to pursue the truth.

Constitutionally it is the duty of Congress to oversee breaches of law or public ethics in the Executive Branch. During the 12 years of the so-called "divided government" of the Reagan/Bush era, the Legislative Branch took its Constitutionally-mandated oversight function seriously, as witnessed by the expansion in the size of its staff and the number of investigations undertaken.

Now both the Executive and the Legislative Branches of government are controlled by the same political party. The oversight mandate thus falls disproportionately upon the Ranking Members of the respective Committees for those areas of the Executive Branch over which they have jurisdiction. Not to assume leadership in performing the oversight function with regard to the way in which the financial institutions of this country are managed and regulated would be to violate my oath to "support and defend the Constitution of the United States . . .and . . .well and faithfully discharge the duties of the office."

If the majority party refuses to uphold its responsibilities because of political embarrassment to its party's top elected official, the minority party is left with the choice either of joining in a complicity of silence or pursuing investigations that run the danger of being partisan.

In this context, I would simply emphasize that I raised the Whitewater issue with great reluctance, realizing the import as well as the power of the Presidency. I fully understand the political and personal liabilities involved. Nonetheless, I feel it would be inconsistent, indeed, hypocritical, to my own values, if I refused to pursue a line of inquiry potentially embarrassing to the President of a country which from its inception was intended to be hallmarked by law and its applicability to all citizens. It is, after all, the establishment of a government of laws, not men, that defines the uniqueness of the American experiment with democracy.

Procedurally, it should be noted that the Minority is currently engaged in one of the most profound checks and balances philosophical engagements with the Executive branch in the modern history of the Congress. This engagement carries far greater implications than any judgement relating to a particular embarrassment of a particular public official at a particular time because at issue is precedent: whether in future circumstances the oversight capacities of Congress can be thwarted if the Majority party of Congress is the same as that in control of the Executive branch and chooses to refrain from its oversight obligations in order not to embarrass its party's standings.

It is possible that the Constitutional precedent for our checks and balances system surrounding the refusal of the Administration to cooperate with an oversight probe of the Executive branch which the majority party does not sanction may have more long-term negative consequences than any episodic embarrassment that might relate to this or any President's past. What is at issue is the definition of Congress as it applies to the Constitutionally granted oversight responsibilities of the legislature. In our checks and balances system, Congress was given oversight responsibilities, but this Administration is suggesting in response to minority requests for documentation from Executive agencies that only Chairmen speak for Congress. The minority in Congress, by this logic, has no power to advance or fulfill its Constitutional rights if the majority does not concur in request for information. If such precedent is allowed to stand, Congress's oversight capacities will for all practical purposes be hamstrung whenever the Executive and Legislative branches of government are controlled by the same party. Would our founding fathers have had this in mind?

In this connection, on December 9, 1993, as Ranking Member of the Banking Committee, I wrote federal regulatory agencies to request certain documents of an oversight interest (Example, Tab A). In a follow-up letter I pointed out, as the courts have noted, "The Congress rarely acts as a body. Its manifold duties in the legislative, investigative, and oversight fields are almost invariably carried out through committees, committee chairmen, individual members, and staff personnel." Murphy v. Department of Army, 613 F .2d 1151, 1156 (1979). In addition, the court stated:

> "The Senate and the House are so organized that certain legislative and quasi-legislative activities may be accomplished only through committee action. In other respects, however, the legislature acts through its individual Members. All Members have a constitutionally recognized status entitling them to share in general congressional powers and responsibilities, many of them requiring access to executive information. It would be an inappropriate intrusion into the legislative sphere for the courts to decide without congressional direction that, for example, only the chairman of a committee shall be regarded as the official voice of the Congress for purposes of receiving such information, as distinguished from its ranking minority member, or other committee members, or other members of Congress. Each of them participates in the law-making process; each has a voice and a vote in that process; and each is entitled to request such information from the executive agencies as will enable him to carry out the responsibilities of a legislator."

Agency heads responded that a Ranking Member only has the authority of an individual Member of Congress and, therefore, may only obtain information that would be available to the public pursuant to the Freedom of Information Act. In addition, the Office of Thrift Supervision asserted that it differs "with the view that Rules X and XI of the House of Representatives grant to a ranking minority member (or any individual member) the same authority to request information that a committee chairman possesses." In short, the agencies contend that only Chairmen, not Ranking Members, speak for Congress.

Subsequently, on March 8, 1994, I wrote requesting information for the Banking Committee's upcoming RTC oversight hearing (Tab B). Agency heads again responded by holding to the position that only the Chairman of a Committee would be permitted access to agency documents.

In this dispute about who is entitled to speak for Congress in the context of Congress' right and obligation under Article I of the Constitution to conduct oversight of the Executive branch, the Chairman of the Banking Committee, in what may have been an effort to bolster the Executive's position, wrote agency heads on March 10, 1994, to suggest that they deny my document request and wrote separately on March 14, 1994, to state that they need not answer questions concerning Madison Guaranty Savings and Loan at the scheduled hearings. (Tab C and D). The Chairman's letter contained an implicit and unprecedented philosophical assertion that not only does a Chairman have the exclusive right to obtain oversight documents from the Executive branch, but the right to deny such documentation to other Members and the right even to deny inquiries about issues clearly germane to the subject of hearings.

So that there is no misunderstanding, the RTC Oversight hearing was scheduled under requirement of law, Section 21A(k)(6) of the Federal Home Loan Bank Act (12 U.S.C. §1441a(k)(6)), and there is no provision in that law for exceptions to Congressional oversight that relate to a single state and its institutions. The U.S. Congress wrote a law applicable to all 50 states, not 49, and the oversight of our laws applies throughout this country. Just as in America no individual is above the law, no state is beyond its reach. Just as no individual is entitled to violate the law out of ignorance of it, no person, even the Chairman of a Congressional Committee, is entitled after the fact to be sole interpreter of a law's meaning or serve as a censor to another Member's inquiries. Indeed, no Member of Congress has the right or power to deny relevant information to another Member.

In addition to the Federal Home Loan Bank Act, the Committee's role in oversight is buttressed by the House Rules as modified under the Legislative Reorganization Act of 1970. I refer to paragraph 2 of House Rule X providing for the Committee's "General Oversight Responsibilities" which states:

> "(b)(1) Each standing committee ... shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that committee and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the congress and whether such programs should be continued, curtailed, or eliminated."

Separate procedural rules may apply to an investigative hearing, but such rules do not apply in this case. The statutorily mandated RTC hearing is an oversight hearing in accordance with Rule X. Any reliance on investigative hearing procedures to deny information to Committee Members is misplaced. Any information requests or questions by Members related in any manner to RTC operations are authorized under the Committee's oversight authority. It is also

15772

expected that in answering questions witnesses have the obligation either to assert appropriate privileges or fully respond with answers to the questions (See, 2 U.S.C. §192, Sinclair v. United States, 279 U.S. 263 (1929)) and such answers shall be truthful. (See, 18 U.S.C. §1001, U.S. v. Poindexter, 951 F.2d 369 (D.C. Cir. 1991)).

Moreover, the precedent of the Banking Committee is clear with respect to the relevance of specific questions on specific institutions. On numerous occasions at past RTC oversight hearings, questions related to individual institutions have been asked by Committee Members, including the Chairman, and answered by witnesses. In fact, the Committee's invitation letter of March 3, 1994, to Treasury Secretary Bentsen for purposes of the RTC oversight hearing, seeks testimony and documents related to a specific institution, Homefed Savings. Of relevance also is the following statement last week of the Chairman of the Senate Banking Committee:

> So we have had now over the years since 1989, a very long series of regular oversight hearings where we call in the officials responsible for implementing that law to find out exactly how it is working and if there is a need to change any particular part of it. Is it working the way it was designed to work? Have we corrected all the abuses? We were so concerned about that issue that, in fact, we built into that 1989 law a requirement that there has to be a hearing here in Congress every 6 months on how that cleanup effort is doing and how that law is being implemented. Within the text of that part of the law we went so far as to say that any institutions that failed in that time period, in the mid-1980's, that if any Senator on the committee wanted to come in and ask questions about that particular institution, that they had a right in law to do so. We did not foresee the Madison case at that time, but it applies precisely to the Madison case and every other case out of that time period. (Cong. Rec. S3153, March 17, 1997).

To the degree the Chairman's letters are open to an interpretation that would imply the possibility that they have been requested by the Administration to bolster its efforts to deny information to the Congress and thereby the public, at issue would be a collusive effort by the Majority party in the Congress to aid and abet the Executive branch in its concerted effort to deny disclosure of information related to legitimate Congressional oversight.

In this regard, a letter recently copied to Rep. William Clinger, Ranking Member of the Government Operations Committee, evidences a comparable approach in another committee of Congress (Tab E).

It is the Minority's position that Executive branch witnesses must address their obligations to respond to legitimate oversight requests and legitimate inquiries on the subject of hearings as required by the law and the Constitution, not in conjunction with any arbitrary desire of a Chairman to deny discussion on a subject the Executive branch would rather not forthcomingly address. The Minority party, has a baseline assumption that officials of the U.S. government will comply with the law and, when appearing before a committee of Congress, abide by the Code of Government Ethics for Federal employees to "Uphold the Constitution, laws, and regulations of the United States and all governments therein and never be party to their evasion." (Pub. L. No. 96-303, July 3, 1980, 94 Stat. 855)

The constitutionally-derived obligation of oversight cannot be short-circuited at the whim of the Congressional majority. It is just as much the duty of the minority party, as the majority. Indeed, in real life circumstance as evidenced in this particular incident, oversight may in practice imply a greater obligation on the party out of power than the party in control of the Executive branch.

Hodding Carter, the distinguished journalist from Mississippi, recently noted that Southerners of virtually all philosophical stripes recognized a little or a lot of truth in certain Northern concerns about discrimination that existed in the South in the heyday of civil rights activism. But with understandable resentment all felt that Northerners had a duty to look a little more assiduously in their own backyards. In this probe of Whitewater, I believe an outsider might conclude that the single party concentration of political power in Arkansas may be in need of review that the shadow of Lyndon Johnson and Huey Long may have been cast to greatly on a former governor ship. But as a Northerner, I am obligated to note that my primary responsibility is my backyard, in this case the body to which I am elected to serve. While I believe it would be unfair to suggest that one of America's great political parties is more honest than the other, I believe the concerted effort to avoid accountability and full disclosure in the Whitewater incident, and the unfortunate institutional precedents in process of being established, reflect attitudes more associated with single party governance of closed than open societies. Competition is the American way. When single party dominance is long and deep, arrogance associated with power creeps incontestably into the system. Whitewater, in the end, may tell more about Congress than the Executive branch.

In this context, the Minority raised concerns about the manner in which the RTC Oversight hearing scheduled this week might have been conducted. Nevertheless, the Minority was disappointed the hearing was abruptly postponed.

Postponement of the hearing by the Majority raises, above anything else, the issue of compliance with the law. Compliance with the law is not a matter of convenience or discretion. The Majority party has no prerogative to avoid capriciously its legal obligations.

Hearings mandated by statute were to have occurred by December 3, 1993. It is a statutory obligation of the Majority in the Legislative Branch to conduct on a timely basis RTC oversight; it is the statutory obligation of the Executive to cooperate with Congress and comply with its legal responsibilities.

The negotiations this week between leaders of the House which led to the passage of a bipartisan resolution expressing the sense of the House as to the need to hold bipartisan hearings are promising. The subsequent statements by the Speaker that these discussions were of the "possibility of hearings, not a concession that hearings are not necessarily going to take place," is disappointing. The Majority has an obligation to ensure that the decision to postpone indefinitely RTC hearings does not amount to yet another example of Congress not applying the law to itself.

With regard to a possible hearing, let me stress the Minority has offered to cooperate fully with the Special Counsel. We have transferred substantial information to his office. We have given him our proposed witness list and offered to support a delay in the day of hearings provided under House rules to the Minority to allow him a chance to depose witnesses first. For his part, the Special Counsel, in a meeting on March 17, 1994, with the Minority, said that he would not impede in any manner Executive Branch testimony and that he would not stand in the way of an RTC oversight hearing. Mr. Fiske also stated that he did not object to the disclosure of copies of documents to Congress, other than White House documents. The existence of a Special Counsel appointed in the Madison case cannot be used as a rationale to avoid providing RTC oversight information to Congress.

Congress and prosecuting attorneys have differentiated roles, but they are by no means incompatible. In fact, they are generally complementary. Indeed, in the Banking Committee hearings over the past decade on institutions such as Lincoln (Charles Keating) and Silverado (Neil Bush) the Justice Department had tandem investigations underway. Hearings almost always reveal knowledge and perspective that is helpful to prosecutors. It was, after all, Senator Ervin's committee that revealed the existence of the Watergate tapes and it was the recent Senate hearing that revealed improper contacts between Executive Branch agencies and the White House. The major recent exception where a prosecutor was undercut by Congress involved excessive zeal to embarrass Presidents Reagan and Bush that caused a committee to offer immunity to certain witnesses in the Iran Contra probe. But the more general proposition is that constraining a Congressional inquiry has the effect of reducing knowledge, thus reducing prosecutorial discretion.

Mr. Speaker, in a country in which process is our most important product, it is the belief of this Member that the precedents established in this investigation are more important than the investigation itself. Nevertheless, I come to the floor this afternoon to present to the attention of the House and the American people some findings, with supporting documentation, the Minority has uncovered in its ongoing investigation of the Whitewater/Madison affair.

Accordingly, I would like to review in both a perspective and information dispensing sense the Madison/Whitewater issue and divide the remainder of my discussion in two categories: what happened and how the Administration has responded.

On the landscape of political scandals Whitewater may be a bump, but it speaks mountains about me-generation public ethics as well as single party control of certain states and the U.S. Congress.

In a nutshell, Whitewater is about the arrogance of power -- Machiavellian machinations of single-party government. It all began in the late 1970s when a budding S&L owner named James McDougal formed a 50-50 real estate venture with a young politician, the then Attorney General of Arkansas Bill Clinton. In this venture called Whitewater, the S&L owner and S&L affiliated entities provided virtually all, perhaps all, the money; the governor-in-the-making provided his name.

Over the years, the company received infusions of cash from the S&L as well as from a small business investment corporation which diverted, allegedly at the Governor's request, federally-guaranteed funds from a program designed for socially and economically disadvantaged people to the Governor's partners and thence, in part, to Whitewater.

Some of these funds were used to pay off personal and campaign liabilities of the Governor; some to purchase a tract of land from a company to which the state had just given a significant tax break. Whitewater records have apparently been largely lost. A review of the numerous land transactions, however, raises questions of what happened to the money that came into the company and a review of the President's tax records raises questions about tax deductions that were taken and income that may not have been declared.

Under the governorship of Bill Clinton, Jim McDougal was named a Gubernatorial aide to serve principally as liaison to the Economic Development, Commerce, and Highway and Transportation Departments; the first lady of Arkansas was hired to represent the S&L before state regulators; the president of the S&L was placed on the state S&L commission; an attorney who represented the S&L was named the state S&L regulator; the S&L received rent from state agencies; Whitewater had roads constructed using a state agency program and state funds; and the S&L was allowed to operate, despite being insolvent for an extended period, providing millions in loans and investment dollars to insiders and the Arkansas political establishment.

Under the governorship of Bill Clinton, the S&L was allowed to grow 25-fold until federal regulators forced its closing, at which time taxpayers picked up the tab for losses that amounted to approximately 50 percent of the institution's deposit base.

Under the Governorship of Bill Clinton, the total number of state chartered savings associations declined dramatically. Over the period December 1979 to December 1992, the number of stock state chartered thrifts in Arkansas declined from thirty-three, with assets of $961,002,000 to three, with assets of $146,072,000. Viewed another way, the amount of assets available to support home mortgage lending for the people of Arkansas declined.

The story of Whitewater is thus part and parcel the story of the greatest domestic policy mistake of the century -- the quarter trillion dollar S&L debacle. It is the story of a company which in one sense was a simple real estate development venture, but in another was a vehicle used to spirit federally insured deposits from an S&L and compromise a significant political figure.

In the largest series of bank robberies in history, which precipitated an industry bailout larger than the taxpayers provided Lockheed, Chrysler and New York City times a factor of ten, it is fair to ask: "What happened? Who is responsible?"

An answer to these inquiries requires an understanding that those accountable are not only a few negligent and corrupt S&L owners, but attorneys, accountants, state and federal legislators, regulators and assorted public officials. As wide-ranging as the responsibility is, however, it is a mistake to be so glassy-eyed as not to seek lessons for the future through a demand for individual accountability for breaches of law and ethics in the past.

Macro-economics aside, public responsibility for the S&L debacle is of a tripod nature, involving: 1) the conflict-ridden role of Congress in passing loose laws; 2) the ideological mistake of the Reagan Administration in urging deregulation in an industry which requires responsible standards; and 3) the culpability of a small number of state governments, such as in California, Texas, Louisiana and Arkansas, which failed to rein in high flying state-chartered, state regulated institutions, which because of the federal nature of deposit insurance, precipitated a massive transfer of wealth from states with responsible governments to those without.

In Arkansas it is impressive how the federal government was obligated to close more than 80 percent of state-chartered S&Ls in the 1980s and how large taxpayer losses were in relation to the state's S&L deposit base. The failure of the Clinton Administration in Little Rock to fulfill its responsibility to police state financial institutions had the effect of increasing tax burdens on citizens of Arkansas as well as other states.

While taxpayers at the national level were forced to pick up the tab for the mistakes of politicians in whose elections they could not vote, citizens in states like Arkansas were doubly shortchanged. Not only did they have to share in eventual bail out costs, but when their home based financial institutions frittered away the hard earned deposit savings of their state to insiders, fewer resources were made available to potential home owners and minority entrepreneurs.

What the Keating-5 scandal was all about was the attempt of an S&L owner to compromise through political contributions significant political players, in this case five senators, to influence regulators to keep an insolvent, corruptly-run, institution from being closed. What makes Governor Clinton's involvement with a company which helped breach the vaults of an Arkansas S&L philosophically at least equal to, but in reality more troubling than the Keating model is that not only did the institution's management organize conflict-ridden fund raising endeavors for the key politician in the state, but through Whitewater it put the Governor in a compromising personal finance position as well.

What is extraordinary is the hypocrisy of the circumstance. The following 1991 announcement statement of Governor Clinton speaks for itself:

> "For twelve years of this Reagan-Bush era, the Republicans have let S&L crooks and self-serving CEO's try to build an economy out of paper and perks instead of people and products. They stack the deck in favor of their friends at the top and tell everybody else to wait for whatever trickles down."

Despite the rhetoric it is remarkable how time after time in the 1980s, alleged defenders of the little guy in American politics found themselves advancing the interests of a small number of owners of financial institutions which were run as private piggy banks for insiders. The intertwining of greed and ambition turned democratic values upside down.

In our kind of democracy ends simply don't justify means. Just as a conservative, who may despise government, has no ethical right not to pay taxes, a liberal has no ethical basis to put the public's money in his own or his campaign's pocket just because he may have the arrogance to believe he is advancing a political creed that is in the public's interest.

Why does all this matter?

Here, it would perhaps be appropriate to paraphrase the great Illinois Senator, Ev Dirksen: a few thousand here and a few thousand there and pretty soon it adds up to a real scandal. Put another way, an ethical lapse here and an ethical lapse there and pretty soon it adds up to a character deficit.

I have never known anyone in public life better able to put embarrassing episodes behind him than Bill Clinton. Accordingly, I couldn't have been more surprised by the discombobulation of the Administration at the minority's restrained request last November for hearings and full disclosure.

As in most serious public scandals, cover-ups can prove as troubling as acts at their source.

Much press attention has centered in recent weeks on the revelations of improper contact between employees of independent federal agencies and the White House. The question of whether a "heads up" was appropriate is of significance. More so, is whether the line between a "heads up" and "cover-up" was crossed.

By background, for several years a group of criminal investigators for the RTC in Kansas City reviewed the failure of Madison Guaranty Savings and Loan in Little Rock and came to the conclusion criminal referrals were appropriate. In the last week of September 1993, they sent copies of their referrals to Washington. Within a few days of receipt of the referrals from the Kansas City office, RTC Washington officials visited the White House. Within a few weeks, in an unprecedented change of procedure, Washington demanded to review all Madison referrals. Within a few months, a senior Kansas City criminal investigator was removed from the case. Within a few more months, officials from RTC Washington visited Kansas City to pass on the determined message that senior RTC officials in Washington wanted it understood that they wished to claim Whitewater was not responsible for any losses at Madison.

Courageously, Kansas City investigators refused to allow Washington RTC objections to change the content of the referrals they sent in the second week of October 1993 to the Justice Department.

Courageously, Kansas City investigators refused to back the Washington position that Madison's losses were unrelated to Whitewater and pointed out to their superiors that in one intensely reviewed six month period alone approximately $70,000 was transferred from Madison and Madison affiliated companies to Whitewater.

Courageously, Kansas City investigators have sought whistleblower protection rather than comply with the Washington RTC gag order that no one from Kansas City could speak with Special Counsel Fiske without clearance through and accompaniment of Washington RTC officials.

The briefing of the White House by high ranking Department of Treasury and RTC employees must be understood in the context of the development and transmittal to the Justice Department of these referrals and in the context of the possibility Kansas City was in the process of developing further referrals.

There are many elements of the Whitewater affair that are a bit esoteric. But the revelations that U. S. government officials briefed key White House aides on potential legal actions which independent regulatory agencies might be obligated to take implicating but not charging the President and First Lady subvert one of the fundamental premises of American democracy -- that this is a country of laws and not men.

In America no individual, whatever his or her rank, is privileged in the eyes of the law. No public official has the right to influence possible legal actions against him or herself. For this reason agencies of the government as well as the White House have precise rules that govern their employees.

The following standards (31 CFR §0.735-30) apply to the Department of Treasury:

> "An employee should avoid any action ... which might result in, or create the appearance of ...
> (2) Giving preferential treatment to any person; ...
> (4) Losing complete independence or impartiality;
> (5) Making a Government decision outside official channels; or
> (6) Affecting adversely the confidence of the public in the integrity of the Government."

Similarly, the following standards contained in 12 CFR § 1605.7 apply to RTC employees:

> "No employees shall engage in any action, which might result in, or create the appearance of ...
>
> (b) giving preferential treatment to any person; ...
> (d) losing complete independence or impartiality;
> (e) making an RTC decision outside official channels; or,
> (f) adversely affecting the public's confidence in the integrity of the RTC."

Likewise, the following standards apply to the White House (3 CFR §100.735-4):

> "In all circumstances employees shall conduct themselves so as to exemplify the highest standards of integrity. An employee shall avoid any action, whether or not specifically prohibited by this subpart, which might result in, or create the appearance of:
>
> (1) Using public office for private gain;
> (2) Giving preferential treatment to any person; ...
> (4) Losing complete independence or impartiality;
> (5) Making a Government decision outside official

channels; or

(6) Affecting adversely the confidence of the public in the integrity of the Government."

Perhaps laws have not been broken, but seldom have the public and private ethics of professionals in the White House and Executive Departments and branch agencies been so thoroughly devalued.

The point of all this is that there is a disjunction in this Administration between public policy and private ethics. Americans abhor privilege; hypocrisy gnaws at the American soul; it leaves a dispiriting residue of resentment.

What is also extraordinary is the absence of simple truth.

Administration Claim: Whitewater caused no losses to Madison.

Fact: As reflected in the minority-developed charts and evidenced by supporting documentation, Madison and affiliated companies transferred significant resources to Whitewater. In addition to being a modest sized real estate company, with a cash flow derived from land sales, Whitewater appears to be one of a dozen so companies with direct or indirect access to Madison and its taxpayer guaranteed deposits.

Administration claim: The Clintons lost money in Whitewater.

Fact: To have lost money in Whitewater implies that the Clintons invested sums which were unrecovered. Their Whitewater partner, James McDougal, claims at most the Clintons over the years put in $13,500 in Whitewater. The Minority has provided evidence that one land transaction alone returned more than this amount to the Clintons and published reports indicate tax deductions of some value were taken. The Lyons report, as well as a review of land sales, indicates substantial sums were taken out of Whitewater over the years. It is not clear how disbursements were arranged. What is clear is that infusions of capital from land sales, from Madison affiliated entities and possibly from others appear to have covered loans the company and the Clintons took out. The company may have had a negative value when the Clintons sold their half interest in 1992, but that neither means the Clintons themselves lost money, nor that questions ought not be asked about how direct or contingent liabilities may have been disposed of as late as 1992.

Administration claim: The President and his staff would fully cooperate with Congress.

Fact: The Executive branch is actively working to prevent full disclosure of documents and committee access to witnesses.

Administration claim: It has done nothing wrong in relation to the RTC investigation into the failure of Madison and is fully cooperating with Special Counsel Fiske's probe.

Fact: Officials of an independent regulatory agency (the RTC) immediately notified the White House of the probe of Madison by its Kansas City office and attempted to put in place procedural techniques to undercut the traditional independence of its regional offices.

Fact: In January, 1994 RTC Washington met with Kansas City staff. After the meeting the Kansas City office filed a formal complaint with Washington RTC.

Fact: On February 2, 1994, the day Roger Altman briefed the White House on Madison Guaranty, RTC Senior Attorney, April Breslaw visited the Kansas City office and said that Washington would like to say that Whitewater caused no losses to Madison. Kansas City employees protested that this was not the case.

Fact: On September 29, 1993, before the new criminal referrals were sent to the Justice Department, Treasury General Counsel Jean Hanson briefed White House Counsel on them. Nine days after the meeting, the referrals were sent to the Justice Department. On October 14, Jean Hanson with Secretary Bentsen's Press Secretary and Chief of Staff met with Presidential Advisors ostensibly to discuss press inquiries related to Madison Guaranty.

Fact: On February 2, right after the appointment of Special Counsel Robert Fiske, Roger Altman gave the White House a "heads up" briefing on Madison. At the Senate Oversight Board hearing, Roger Altman revealed his February 2 meeting, but no others. Several days later, the September and October White House briefings were revealed. On March 9, the Washington Post reported that there were numerous other contacts between the Treasury and the White

House on Madison. After subpoenas are issued it is revealed that there are over 3,500 pages of documentation surrounding these contacts which the White House terms as inconsequential.

Fact: After the appointment of Special Counsel Fiske, Washington RTC officials imposed censorship guidelines on Kansas City RTC employees. No discussion with Fiske could be made without going through Washington. No meetings between Kansas City office and Fiske could take place without accompaniment of Washington officials. No materials could be forwarded without going through Washington. All information concerning attorney-client privilege was to be redacted, with Washington RTC determining the scope.

Administration Claim: No fundraising improprieties occurred.

Fact: On April 4, 1985, Jim McDougal hosted a fundraiser for Governor Clinton. The Clinton's repeatedly asked McDougal to host the fundraiser to pay off the $50,000 personal loan that Clinton had taken out in the final weeks of his 1984 campaign. The question at issue is whether some of the money appears to have been diverted from Madison Guaranty, which would then, with the failure of Madison, imply deferred federal financing of a gubernatorial election. For example, one cashier's check for $3,000 was made in the name of Charles Peacook III, then a 24-year-old college student who disclaims any knowledge of having made a contribution. Mr. Peacock's father was a major Madison borrower and served at one time on Madison's board. Other checks that the RTC is reviewing include a $3,000 check from the late Dean Landrum, an employee of Charles Peacock, and one from Susan McDougal. In the former Governor's defense, candidates are not always in a position to verify their campaign contributions.

Mr. Speaker, the President's former partner, Jim McDougal in a number of occasions has contested the assertion that no resources were taken from Madison Guaranty and its related entities and given to Whitewater. In an AP story on February 4, 1994 and on the David Brinkley Show on March 13, 1994 he specifically raised concerns that Madison Marketing was not owned by Madison Guaranty, but was instead a sole proprietorship owned by his former wife. He has cited documents filed with the Arkansas Secretary of State's office to buttress his claim.

Mr. McDougal apparently believes there are subtleties about the nature of Madison Marketing that need clarification. Mr. McDougal gives great credence to the circumstance that at some point Madison Marketing may have been operating as an intended proprietorship of his wife, but, whether this is true, this appears to be a distinction without a difference, form over substance. The overwhelming perspective as contained in the 1986 Federal Home Loan Bank Board Report of Examination is that all Madison Marketing resources were derived from Madison Guaranty or its subsidiaries. Any money transferred to Whitewater from Madison Marketing would thus have had as its source the S&L. The 1986 FHLBB exam, upon which the earlier staff memo on this subject was based, states:

> "A. Objectionable Conflicts of Interest
>
> Conflicts of interest involving James McDougal, Susan McDougal, and William Henley have been detrimental to the safety and soundness of the Institution. These individuals are in control of the Institution (Madison Guaranty) through their stock ownership. James McDougal owns 63.5% of the outstanding Madison shares. His wife, Susan McDougal, owns 12.6%, and her brother, William Henley owns 8.5%. In addition to his ownership control, Mr. McDougal, as President of the Institution's subsidiary (Madison Financial), has complete control of the land development projects discussed in comment
>
> B. This control enabled Mr. McDougal to structure the development and financing of the projects so that substantial cash payments could be diverted to himself, Susan McDougal, William Henley and others. These payments have directly benefited these individuals, but Madison Guaranty has received little or nothing in return. Though they have been structured to avoid specific Insurance Regulations, these payments are contrary to the general policy of the FHLBB concerning conflicts of interest as stated in Insurance Regulation 571.9 and FHLBB Memorandum R-19a.
>
> Many of these payments have been funneled through business entities which are owned or controlled by the McDougals, employees, relatives of employees, or close friends of the McDougals and Henley. . . .
>
> 2. Madison Marketing
>
> Madison Marketing is paid for doing all the general advertising for Madison Guaranty and most of the advertising for Madison Financial's land development projects. All of Madison Marketing's business is derived from Madison Guaranty or its subsidiaries. Since 1983 these payments total $1,532,000. . .

> Given the evidence of Madison Marketing's invoices, it is questionable how much of these advertising services are actually performed by the firm. The actual work of advertising, such as the design and production of commercials and providing air time or newspaper space, appears to be performed by others. Madison Marketing apparently just pays the bills of other providers and adds a 15% fee of its own. Examiners estimated this fee to be approximately $200,000 since 1983. It would appear that Madison Guaranty could have an employee perform similar work for much less money.
>
> Mr. Latham stated that Madison Marketing made no payments to any stockholders. This statement is false. As a part of a test for such payments, the examiners discovered two remittances from Madison Marketing to Susan McDougal which total $50,000. This was a test, and there may be additional payments."

Mr. McDougal apparently believes Madison Marketing should be understood simply as a sole proprietorship of his wife with no ties to the S&L. This view is in discordance with that of the United States Government, as indicated by the FHLBB report cited above; it is also in discordance with a contemporaneous view of the legal situation as defined and described by Mr. McDougal in a July 1, 1986 memorandum from him to Madison Guaranty's President, Mr. John Latham. In this memorandum, which is a copy of an original Madison document in the possession of the RTC and the minority of the House Banking Committee, Mr. McDougal asserts:

> In late January, 1985, Mrs. McDougal permitted Madison Marketing to become a subsidiary of Madison Financial Corporation.

In addition, Mr. Jeff Gerth of The New York Times has reported on March 8, 1992, an earlier instance in which Madison Marketing transferred resources to Whitewater. Mr. Gerth reported:

> Whitewater's check ledger shows that Whitewater's account at Madison was overdrawn in 1984, when the corporation was making payments on the Clinton's loan. Money was deposited to make up the shortage from Madison Marketing, an affiliate of the savings and loan that derived its revenues from the institution, records also show.

In addition, David Hale and his attorney Randy Coleman have asserted in recent days that it was proceeds of an $825,000 Madison loan that was used to leverage SBA funds and to make the $300,000 loan to Susan McDougal, of which $110,000 was deposited to Whitewater.

This evidentiary material coupled with the April 17, 1985 Minutes of Madison Financial's board authorizing a transfer of $30,000 from

Madison Financial to Whitewater, the memo of L. Jean Lewis of the Kansas City RTC office showing over a six month period reviewed that approximately $70,000 was transferred from Madison or affiliated entities to Whitewater, plus other more confidential RTC material in our possession indicates there is every credible reason to believe that Madison Guaranty through affiliated entities did transfer money to Whitewater.

Furthermore, records filed with the Arkansas Secretary of State's office show that Mr. McDougal, as president of Madison Financial Corporation (a subsidiary of Madison Guaranty) on July 26, 1986 filed an application for registration of fictitious name. The application was for Madison Financial to do business as "Madison Marketing." This document does not represent incorporation papers. This application appears to be in response to the 1986 Federal Home Loan Bank exam which noted that with regard to Madison Marketing and Madison Real Estate, Madison Financial had "not registered as a 'd/b/a' in the County records."

The effect of this statement with its supporting documentation is to evidence that:

1) Whitewater may have begun as a legitimate real estate venture but it came to be used to skim, directly or indirectly, federally insured deposits from an S&L and a Small Business Investment Corporation. When each failed, the U.S. taxpayer became obligated to pick up the tab;

2) The family of the former Governor of Arkansas received value from Whitewater in excess of resources invested;

3) Taxpayer guaranteed funds were in all likelihood used to benefit the campaign of a former governor;

4) The independence of the U.S. Government's regulatory system has been flagrantly violated in an effort to protect a single American citizen;

5) Congress and the Executive are employing closed society techniques to resist full disclosure of an embarrassing circumstance, with unfortunate precedent setting ramifications.

Last month a BBC reporter asked me if we Americans weren't making too much of this scandal. He raised a fair question. Compared with petty potentates around the world, who routinely walk off with millions and in some cases billions, conflicts of interest in American politics are of petty variety. In this case, however, we have a situation where a multi-thousand dollar conflict of interest led to a multi-million dollar hit on the taxpayer. That is the meaning to the failure of Madison Guaranty. That is also the meaning of the Small Business Investment Corporation called Capitol.

It is simply not appropriate to shrug it off and say that this is the way things are done in small states. They aren't in Nebraska, South Dakota, or Iowa. It is simply not appropriate to say it isn't a federal issue. It is. The U.S. taxpayer has lost millions; home owners in Arkansas have lost institutions that were established to serve their needs; minorities throughout the country cannot lightly shrug off yet another instance in which a program designed to give them a crack at the American dream was redirected to serve the investment ego a state political establishment.

It is suggested by the Majority that we have better things to do around here. There again is some truth to this. The minority also wants to get on with the business of health care, welfare reform, crime legislation. Indeed, we pledge to be constructive and are not blocking any Congressional consideration of these issues. But, in a larger sense, it should be understood that these "we have better things to do" laments suggest that ethics, governmental integrity, and the possible misuse of the public's money should be secondary considerations -- something to worry about only when we have time. In a democratic system, built and maintained on the confidence of the people, placing such considerations last on the list of priorities is a highly dubious game. Nothing works over the long haul if the public loses confidence in its governmental institutions and the people who operate those institutions. The task of keeping the people's confidence may not be pretty or pleasant, but it is a first priority in our system -- not a last priority as all too many are suggesting today.

Whitewater is less about the issues of the day than it is the ethics of our time. It is a central issue not because it is big, but precisely because it is small.

The way we in America keep our scandals from becoming too big is by holding people accountable when the amounts of money at issue are relatively small. It is the principles at issue, not the dollar amounts that matter.

In conclusion, let me stress that the most difficult issue to deal with is the question of proportionality. When the Minority made its restrained request for hearings last November I suggested that while there was fire with the smoke, Whitewater appeared to be more a camp than forest fire. I now believe the fire has spread to the grass and is heading to the trees but that it is still not too late to put it out with full disclosure and full accountability. In this regard, I suggested in a December Washington Post editorial that when breaches of law or public ethics occur, options often exist as to whether civil or criminal remedies are appropriate. I presumptuously concluded then and maintain now that there is no reason not to proceed with civil accountability in a civil way. The last thing this country needs is a year long trial or travail for the President of the United States. It would divide the country and be unfair to the public as well as the President.

Accordingly, I have pledged to the President's Counsel as well as to the Special Counsel that I will do my best to put the issue behind once disclosure is provided. Accountability is in order; a

Constitutional crisis is not. The Presidency should neither be jeopardized nor debilitated. Rather than high crimes and misdemeanors, the issue today relates to high improprieties and breaches of the public trust.

-- 30 --

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

March 30, 1994

Honorable Jim Leach
Ranking Minority Member
Committee on Banking, Finance
and Urban Affairs
House of Representatives
Washington, D.C. 20515

Dear Mr. Leach:

We wish to comment on your March 24, 1994 statement before the U.S. House of Representatives as it relates to the RTC's handling of Madison Guaranty. Furthermore, we are concerned that the RTC's ability to recover money for the taxpayers may be compromised by unauthorized and premature disclosure of active investigative information.

By way of background, I became Deputy CEO of the RTC on January 4, 1994. Ellen B. Kulka became General Counsel on January 17, 1994. Neither of us are political appointees. No pressure has been exerted by the Treasury, the White House, or any other source in the Executive Branch concerning the performance of our responsibilities with respect to Madison Guaranty or Whitewater since either of us joined the RTC.

Most of the events cited in your statement occurred before we joined the RTC and we have no first-hand knowledge of them. However, we do feel compelled to point out one or two facts in the documents you disclosed that we believe put a somewhat different light on matters than what you cast. While we believe that any comment about criminal referrals should be avoided, the rush to disclose confidential documents and to obtain information which is partial at best from junior staff has led to substantial misinformation being disseminated to the public. First, the overriding fact is that referrals were made exactly as the investigators had prepared them irrespective of whether there were internal staff disagreements about them or not. We would also observe that, based on our short tenure, internal staff disagreements at the RTC are not uncommon. Second, you stated that "...A senior Kansas City criminal investigator was removed from the case.." What you failed to point out--or perhaps were

801 17th Street, N.W. Washington, D.C. 20434

not aware of--is that the attorney in Kansas City with whom the investigators had disagreements was also removed from the case at the same time.

As a general matter, it is clearly inappropriate for a government agency to publicly discuss referrals made to the Justice Department regarding possible criminal violations because such discussions could undermine the Department's ability to prosecute the case if the facts are determined to warrant prosecution. As we have indicated to you on numerous recent occasions, the RTC follows this policy. Disregarding this policy, you have demanded information regarding such matters. As early as Thursday of last week, you publicly released documents and internal memoranda which were obtained from employees of the RTC who were not authorized to disclose them. As you may recall, you requested a particular document from the RTC last week even though it was apparently already in your possession. While you stated in your request to the RTC that special counsel Fiske did not object to the release of documents to the Congress, our continuing dialogue with Mr. Fiske about the release of documents and about the specific document in question verified our understanding that he believes, as we do, that such a release would be inappropriate and could have a deleterious effect on our investigations. We, therefore, denied your request and conveyed the substance of our conversation with Mr. Fiske to your staff before your comments on Thursday. We were surprised to see the document in the materials appended to your statement which was supplied to the press.

With respect to events that are attributed specifically to us, you state "... officials from RTC Washington visited Kansas City to pass on the message that senior officials in Washington wanted it understood that they wished to claim Whitewater was not responsible for any losses to Madison.." While we do not know precisely what was said or the context in which it was interpreted, we are quite sure that neither of us has given any such instructions to RTC staff. In recognition that it is rarely possible to prove something didn't happen, we simply wish to be judged by our actions in the performance of our responsibilities. Those actions taken by the RTC during our tenure include: first, the reopening of the Madison investigation in light of the extension of the statute of limitations and additional information which has become available; second, the request that the Office of Inspector General review the RTC generated report on the Rose Law Firm as well as the billings of that firm with respect to Madison; third, the retention by the Legal Division in February 1994 of Pillsbury, Madison & Sutro to serve as outside counsel to help with the investigation; and fourth, the full cooperation the RTC has given to special counsel Robert Fiske.

When the RTC has completed its investigation and taken appropriate action, a full report on this matter will be made to the U.S. Congress. We fully expect to be judged by our actions at that time. In the meantime, we believe all parties concerned would be ill-served by the premature disclosure of incomplete and fragmentary data.

Finally, we are quite concerned about the future implication of the encouragement given to RTC staff over the unauthorized disclosure of confidential information. Such disclosures not only can impair the RTC's ability to pursue recoveries for the taxpayer but also could compromise the financial privacy of any citizen whose only misdeed was doing business with a savings and loan that failed. Our attempts to protect the RTC's legal and fiduciary duties in this regard, and to speak consistently on an extremely sensitive matter is inappropriately characterized as "gagging".

We have made all information requested by Mr. Fiske's staff available to him and will continue to cooperate to the fullest extent possible. We have made substantial amounts of information available to your staff and the staffs of others in Congress. To the extent consistent with our duty to complete an investigation and make sure it is not compromised, we will continue to cooperate with Congress in a manner consistent with our understanding of our duties.

Sincerely,

John E. Ryan
Deputy CEO

Ellen B. Kulka
General Counsel

FYI copy

CO

RESOLUTION TRUST CORPORATION
OFFICE OF GOVERNMENTAL RELATIONS
CORRESPONDENCE REFERRAL

Document: 13005 **Document Date:** 94/03/11 **Due Date:** 94/03/29
Input Date: 94/03/15

NAME: Leach, Honorable James A. H.S.
Ranking Member
Committee on Banking, Finance and
ADDRESS: Urban Affairs, House of Reps.
Washington DC 20515

Copies To:
Standard Dist.
MR. RYAN MS. KL
MS. KRUSE
OGR STAFF
MS. HINTON

Synopsis: BRIEFINGS WITH RTC, [TREASURY] AND [WHITE HOU]SE [OFFICIALS] RE [CRIMINAL] REFERRALS RE [MADISON] [GUARANTY] S&LA, MCCRORY, AR (RESOLVED). SIMILAR [CONGRESSI]ONAL BRIEFINGS. [NAMES] [DATES] CONTENT [IMPORTANT]

Action: Prepare for Deputy CEO John E. Ryan sig.

OLA Contact: Carol O'Brien (202) 416-7314

INSTRUCTIONS

Author of the draft response and person(s) reviewing response should sign this routing sheet. Please forward draft response by DUE DATE with this completed form to OLA (Renee Kelly-Room 1062A-801 17th Street) with WordPerfect disk or E-mail (Renee Kelly@ OLA@ RTCDC). Routing sheet may be faxed to (202)416-4413

* This form is necessary for review purposes *

Assigned To: **Date:**
OLA Peter Knight-Governmental Relati 94/03/15

AUTHOR: ____________________ **PHONE:** ____________

REVIEWED BY:	DATE IN	DATE OUT	REVIEWED BY:	DATE IN	DATE OUT

13005

[illegible]

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

[illegible]

March 11, 1994

RECEIVED
MAR 11 1994
OFFICE OF GOVERNMENTAL RELATIONS
RTC

Mr. John Ryan
Deputy Chief Executive Officer
Resolution Trust Corporation
15th and Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Mr. Ryan:

In reference to the meetings among RTC, Treasury and White House officials concerning criminal referrals related to Madison Guaranty, a number of officials within the Administration have publicly stated that Congressional Republicans and Democrats, in the House and the Senate, received the same briefing as that which was provided the White House by RTC officials. These comments are interesting in that neither I, as Ranking Member of the Banking Committee, nor my staff ever were offered such a briefing(s).

Please provide a response as to the Democrat and Republican Members of the House and the Senate, including any staff, who received the same briefing that RTC and Treasury officials provided the White House on criminal referrals and other matters related to Madison Guaranty. In addition, please include the dates on which such briefings were held, a list of the administration officials who conducted the meetings, and the substantive content of the briefings.

Please provide a response by March 21, 1994. Thank you for your prompt attention to this matter.

Sincerely,

JAMES A. LEACH
Ranking Member

ADDITIONAL SUPPORTING DOCUMENTATION

15794

STATEMENT OF THE HONORABLE JAMES A. LEACH
INDEX OF SUPPORTING DOCUMENTS[1]
MADISON GUARANTY SAVINGS AND LOAN
MARCH 24, 1994

1. Notes of Conversation between L. Jean Lewis and April Breslaw, February 2, 1994. "(T)he 'head people', would like to be able to say that Whitewater did not cause a loss to Madison, but the problem is that so far no one has been able to say that to them." Describes losses to Madison caused by Whitewater.

2. Board of Directors Minutes, Madison Financial Corporation, April 17, 1985. "RESOLVED, that the Corporation pre-pay to Jim McDougal $30,000.00 of his annual bonus in recognition of the profits of the prior year and that said bonus is to be paid directly to Whitewater Development."

3. Application for Registration of Fictitious Name, Applicant -- Madison Financial, Fictitious Name -- "Madison Marketing" (July 25, 1986).

4. Chronology of Criminal Investigation.

5. Letter of September 1, 1992 from L. Richard Iorio (RTC-KC) to Steve Irons (FBI) transmitting criminal referral.

6. Letter of September 1, 1992 from L. Richard Iorio (RTC-KC) to Charles A. Banks (DOJ) transmitting criminal referral.

7. RTC Internal Memorandum, May 3, 1993. Background remarks and conversation with AUSA Bob Roddey's office re: Madison Guaranty Savings referral.

8. RTC Internal Memorandum, May 19, 1993. Additional conversation with Office of Legal Counsel for U.S. Attorney's, U.S. Justice Department, Washington, D.C. No record of Madison criminal referral at Washington DOJ.

9. RTC-KC E-Mail, May 19, 1993. Madison matter forwarded to Donna Henneman in "Legal Counsel." Referral submitted to that office "because of the political ramifications and political motivations."

10. RTC-KC E-Mail, May 26, 1993. Follow-up call from Donna Henneman (DOJ). RTC advised by an FBI agent in Little Rock that it was a "very solid case of check kiting, and was highly prosecutable." Henneman was growing increasingly frustrated by the situation, because she had seen the information, knew that it had come in, and couldn't understand why she was

---

[1] Previously unreported information relating to the prosecutorial strategy of criminal referrals has been redacted.

having such a hard time tracking where the referral and exhibits had gone.

11. RTC-KC E-Mail, June 8, 1993. Conversation with Donna Henneman (DOJ). Madison Referral has reappeared on her desk. Criminal Division has sent memo to Doug Frazier (in Depty Atty General Heyman's office) advising him that there was "no identifiable basis for recusal of the U.S. Attorney in the Eastern District of Arkansas." Referral sent to Frazier for review and final decision.

12. RTC-KC E-Mail, June 23, 1993. Conversation with Donna Henneman (DOJ). Package returned from Frazier. Frazier appointed U.S. Attorney in Florida.

13. RTC-KC E-Mail, June 23, 1993. Further Conversation with Donna Henneman (DOJ). Spoke with Doug Frazier. Decision made to return the referral back to the Arkansas U.S. Attorney. No basis for recusal.

14. RTC-KC E-Mail, June 29, 1993. Source indicates Madison referral has been returned to Little Rock. Acting U.S. Attorney will not act on referral. It is being held until U.S. Attorney designee Paula Casey takes office.

15. RTC-KC E-Mail, September 23, 1993. Conversation with Donna Henneman (DOJ). Washington DOJ would like to be copied on all future transmittal letters concerning Madison referrals with an additional one paragraph summary of the content of the referrals with the transmittal letters, so that Henneman will be aware of those with "sensitivity issues."

16. RTC-KC E-Mail, September 29, 1993. Conversation with Donna Henneman (DOJ). DOJ would like copies of all future Madison referrals sent to Washington in addition to sending to U.S. Attorney in Little Rock. Henneman will confirm this in writing.

17. RTC-KC E-Mail, September 29, 1993. Conversation with Donna Henneman (DOJ). Washington DOJ withdrawing request for referrals to be sent directly to Washington, but would still like copies of transmittal letters with addendum summary paragraph.

18. RTC-KC E-Mail, October 26, 1993. Conversation with FDIC-Memphis concerning Exam Reports.

19. RTC-KC E-Mail, October 27, 1993. Conversation with Donna Henneman (DOJ). Inquiry on whether declination letter had arrived from Little Rock U.S. Attorney.

20. Letter of October 27, 1993 from Paula J. Casey (U.S. Attorney)

to L. Jean Lewis (RTC). Declination letter on the Madison referral.

21. Letter of November 1, 1993 from L. Jean Lewis (RTC) to Paula J. Casey (U.S. Attorney). Confirmation of declination letter and the stipulation from October 27th letter that the matter was concluded prior to the beginning of Paula Casey's tenure and that the RTC had never been advised of such result. Chronology of correspondence between RTC and DOJ.

22. RTC-KC E-Mail, November 10, 1993. Notice of new RTC lead investigator on Madison. L. Jean Lewis removed as lead investigator. "The Powers That Be have decided that I'm better off out of the line of fire ..."

23. RTC-KC E-Mail, November 15, 1993. Transmittal of white paper outlining chronology of events related to 1992 Madison referral. Challenges news article indicating that decision to decline Madison referral had been prior to Paula Casey's appointment.

24. RTC-KC E-Mail, November 15, 1993. Discussion of meeting with Donald MacKay. "He's coming here to evaluate us, our work, and to try and decide just how good this case is, and how he can best deal with a very sensitive political situation."

25. Letter of December 21, 1993 from Michael Caron (RTC) to Bill Houston (FDIC-Memphis). Seeking information on banks involved in loan swapping.

26. RTC-KC E-Mail with attachment, January 6, 1994. Discussion of contact with reporter.

27. RTC Memorandum of January 14, 1994 from Jack Ryan to RTC Vice Presidents and Assistant Vice Presidents. Requirement that the collection and distribution of all information and material responsive to requests concerning Madison be coordinated through RTC-Washington.

28. RTC-KC E-Mail, January 25, 1994. Establishment of Madison review team.

29. RTC-KC E-Mail, February 7, 1994. Conversation with Little Rock U.S. Attorney's office. "(H)e'd spoken to Jeff Gerrish recently, and that Gerrish was 'absolutely astounded' that nothing more was ever done criminally with Madison, beyond the Castle Grande transaction.

30. RTC-KC E-Mail, January 5, 1994. RTC Washington review of Madison investigators. Response memo from supervisor stating, "FYI. This is way out of line. I have already contacted WDC and filed a formal complaint."

31. Letter of October 10, 1983 from C.J. Giroir, Jr.(Rose) to James B. McDougal. Pursuant to discussion with Hillary Clinton enclosing a billing for Madison Bank & Trust dated December 23, 1981.

32. Memorandum to Governor Bill Clinton from Jim McDougal, February 7, 1985. "Kathy called yesterday to ask for my recommendations for two people to fill the vacancies on the State Savings and Loan Board. ... Bill, we are down to only about 15 state-chartered savings and loan institutions and I am about the only one around who has any interest in this board."

33. Letter of December 12, 1984 from James B. McDougal (Whitewater Development Co.) to Ron Proctor (Citizens Bank). "I have been unsuccessful in trying to meet with Bill and Hillary to sign the vote renewal. I have forwarded to them by messenger this morning the note and an envelope with which to forward it to you. Each month we will deposit into our account at Flippin an amount sufficient to cover the monthly payment."

34. Memorandum to John Latham from Jim Mcdougal, April 18, 1985. "I want this preferred stock matter cleared up immediately as I need to go to Washington to sell stock."

35. Memorandum to John Lathan from Jim McDougal, February 19, 1985. "Proceed with your idea on the subordinated notes. We need to make a decision an Madison Bank & Trust."

36. Memorandum to John from Jim, January 7, 1985. "You, Greg, and I need to discuss Securities License. First South has one on by its Service Corporation."

37. Memorandum to John Lathan from Jim McDougal, July 11, 1985. "I need to know everything you have pending before the Securities Commission as I intend to get with Hillary Clinton within the next few days."

①

Notes from the conversation between RTC Senior Criminal Investigator L. Jean Lewis and FDIC Attorney April Breslaw on February 2, 1994, from approximately 3:50 p.m. until 4:35 p.m.

- April stated that "the people at the top" keep getting asked about Whitewater, which seems to have become a catch all phrase for Madison and it's related investigations. She said that eventually "this group" is going to have to make a statement about whether or not Whitewater caused a loss to Madison, but the fact that Whitewater had no loan at Madison provided less potential for a loss. April stated very clearly that Ryan and Kulka (?), the "head people", would like to be able to say that Whitewater did not cause a loss to Madison, but the problem is that so far no one has been able to say that to them. She felt like they wanted to be able to provide an "honest answer", but that there were certain answers that they would be "happier about, because it would get them off the hook."

- April felt that it would have been difficult to determine exactly what happened with the Whitewater account, because so many checks had gone in and out of the account, and made a reference to the end resulting netting itself out. She asked about Greg Young's work papers on the Maple Creek Farms reserve for development analysis, and how it didn't seem to have any apparent tie to Whitewater. I concurred that it didn't have any legitimately defined tie, which is precisely why it was included in the referral.

- She inquired about the $30,000 check to Jim McDougal from Whitewater in 5/85, and about the disposition of the funds. I explained the transaction as I know it: the $30,000 had been converted to a MGS&L cashier's check, which was subsequently endorsed by [redacted] and deposited to Riggs National Bank. I explained that when the check was force paid, the Whitewater account was overdrawn by over $28,000 which was then subsequently covered by the payment of a $30,000 bonus from MFC to Jim McDougal, deposited directly to Whitewater on McDougal's orders.

- She asked how we could get to a clear cut answer as to whether or not Whitewater caused a loss to Madison. I stated that, as far as I am concerned, there is a clear cut loss. I also stated that any attempt to extract Whitewater as one entity from the rest of the McDougal controlled entities involved in the alleged check kite will distort the entire picture. I further pointed out that I would produce the answers that were available, but that I would not facilitate providing "the people at the top" with the "politically correct answers just to get them off the hook".

- She asked questions about the specifics of the checks going through the Whitewater account. I stated that it appeared that the majority of the checks written out of the Whitewater account during the window time frame were going to other financial institutions to make loan payments. I also said that the referral focused only on a short time frame, but that if that same research were conducted for a two year period, it was my belief that the losses to Madison from the Whitewater account alone would easily exceed $100,000, given that $70,000 had gone out of the account during the six month window time frame. I further added that the end loss result from the entire scam, using all 12 companies/entities, would be hundreds of thousands of dollars in what were essentially unauthorized loans.

- I stated that if she wanted me to tell her, unequivocally, that Whitewater didn't cause a loss, I could not do that. I could only reiterate the allegations contained in the referral, which are based on fact, and that it is my opinion and belief that Whitewater did, in fact, cause a loss to Madison because of the amount of the unauthorized loans that McDougal made, through the check kite, to entities in which he was a primary party and beneficiary. I also pointed out that this ultimately benefited his business partners - the same business partners that knew they had real estate ventures that were not cash flowing, but that also knew their mortgages and/or notes were somehow being paid. I pointed out that these business partners are intelligent individuals, the majority of them being attorneys, who must have concluded that McDougal was making the payments for their benefit. I posed the question to her, if you know that your mortgages are being paid, but you aren't putting money into the venture, and you also know the venture isn't cash flowing, wouldn't you question the source of the funds being used to your benefit? Would you just assume that your partner was making these multi-thousand dollar payments out of the goodness of his heart? Wouldn't you wonder even more if you knew that your business partner's main source of income, an S&L, was in serious financial difficulty, which by 1985 was fairly common knowledge?

We discussed the initiation of the MGSL investigation, and how evidence of the check kite came to light. I explained that after reviewing a series of checks, all of which noted "loan" in the memo field, I discerned a pattern that looked like a check kite, and proceeded to trace funds through the various accounts, which is a standard investigations procedures. The end result was the referral alleging a massive check kite. I also advised April that I had been told by both the U.S. Attorney's office (Mac Dodson), and the FBI (Steve Irons) that this was a highly prosecutable case of check kiting. I also told her that I disputed the declination of that referral on the basis of "insufficient information". She commented that "that's what Grand Juries are for", and I pointed out that it generally seemed to be the policy of the U.S. Attorney to agree to open a case before they would start Grand Jury proceedings. I also noted that I found the treatment of that particular referral by the Justice Department to be highly unusual. This concluded our discussion.

2

MINUTES OF MEETING

BOARD OF DIRECTORS

MADISON FINANCIAL CORPORATION
April 17, 1985

The Board of Directors of Madison Financial Corporation met on April 17, 1985, at 1:00 p.m. at the offices of Madison Financial Corporation at 16th and Main Streets, Little Rock, Arkansas. All directors were present. The minutes of the previous meeting were read and approved as recorded.

The first order of business, introduced by John Latham, was the matter of authorizing prepayment of Jim McDougal's bonus. After a full discussion, the following resolution was unanimously adopted, with Jim McDougal abstaining from the voting:

> "RESOLVED, that the Corporation pre-pay to Jim McDougal $30,000.00 of his annual bonus in recognition of the profits of the prior year, and that said bonus is to be paid directly to Whitewater Development."

There being no further business, the meeting was adjourned.

James B. McDougal
Chairman

3380

State of Arkansas

OFFICE OF THE SECRETARY OF STATE

3

FILED

JUL 25 1986

W. J. "BILL" McCUEN
SECRETARY OF STATE
BY

APPLICATION FOR REGISTRATION OF FICTITIOUS NAME

To: W. J. "Bill" McCuen
Secretary of State
State Capitol
Little Rock, Arkansas 72201-1094

Pursuant to the provisions of Section 95 of the Arkansas Business Corporation Act, (Act 576 of 1965), the undersigned corporation hereby applies for the registration of the use of a fictitious name and submits herewith the following statement:

1) The fictitious name under which the business is being, or will be conducted by this corporation is:

Madison Marketing

2) The character of the business being or, to be conducted, under such fictitious name is:

advertising and public relations

3) a) The corporate name of the applicant

Madison Financial Corp.

b) The State of incorporation is:

Arkansas

c) The location (giving city and street address) of the registered office of the applicant corporation in Arkansas is.

Street 2124 First Commercial Building
City Little Rock.
State AR

4) The applicant states that if it is a foreign corporation that it is admitted to and authorized to do business in the State of Arkansas.

5) The filing fee in the amount of $10.00 is enclosed.

Name of Applicant Corporation:

Madison Financial Corporation

Signature: James B. McDougal, PRESIDENT

Address: P O Box 1583, Little Rock, AR 72203

SEAL

ATTEST:
SECRETARY

INSTRUCTIONS:

Prepare this form in duplicate, send to Secretary of State's Office, State Capitol, Little Rock, Arkansas. Duplicate copy will be returned to the corporation and must be filed with the County Clerk, (not required in Pulaski County) of the County in which the Corporation's registered office is located.

15502

4

CRIMINAL INVESTIGATIVE CHRONOLOGY OF EVENTS

3/09/92 to 3/23/92 — Madison Guaranty Savings & Loan ("MGSL") and it's alleged ties to Whitewater Development Corporation ("Whitewater") and Bill & Hillary Clinton were reported in a 3/8/92 New York Times article by Jeff Gerth. MGSL owner and board chairman, James B. McDougal, had been previously tried and acquitted on bank fraud charges in 6/90.

Inquiries regarding these ties emanated from both RTC Investigations in Washington, D.C., and the former Director of the Tulsa Consolidated Office. The Washington inquiry went through the Kansas City Regional Investigations Office to the Tulsa Consolidated Investigations office, who was responsible for investigating failed Arkansas thrifts. The question was raised as to whether Whitewater's relationship with MGSL had been reviewed, and were there any resulting losses or potential criminal activity documented. As a result of this inquiry, the Tulsa office criminal investigator assigned to the Arkansas thrifts was asked to work with the civil investigator in reviewing the completed investigative findings to date. Over a two week period, the criminal investigator reviewed all thrift records obtained from the institution at the time of conservatorship which were stored in the Tulsa office. These records included the available Board Minutes, committee and subsidiary minutes, Fidelity Bond policies, FHLB exams from prior years, outside audits, legal correspondence files and various limited loan files. No mention was found of any Whitewater relationship with MGSL.

3/25/92 to 4/15/92 — During this time frame, Tulsa Investigations learned that a former MGSL employee, subsequently (and still) an attorney in the employment of a Little Rock law firm handling extensive litigation in Arkansas for the RTC, had allegedly fabricated at least two years of minutes for an MGSL subsidiary, Madison Financial Corporation ("MFC"). The criminal investigator was asked to review daily records created by the former employee, who was at that time the executive assistant to former MGSL president, John Latham. Latham pled guilty to one charge of bank fraud in 1989. Copies of the former employee's records had been shipped to Tulsa, where it would be determined if further investigation was appropriate. An affirmative decision was reached during the first week of 4/92. While this review was being conducted, the civil investigator was reviewing additional Madison records stored in Little Rock under the control of the post-receivership assuming bank, Central Bank & Trust ("CB&T"). These records, which had never been inventoried by either MGSL or CB&T, were stored in a downtown Little Rock warehouse, and included, but were not limited to, former officer correspondence, legal files, subsidiary land development and investment files, microfilm, demand deposit (checking) account records/binders, cancelled checks, etc.

Based on the findings of these concurrent criminal and civil investigative reviews, the decision was made that both investigators should travel to Little Rock for a more extensive review of the warehoused documents. At this point, the criminal investigation, which had been previously scheduled for late 1992, was rescheduled to 4/92.

4/20/92 to 4/24/92 — The investigators conducted an extensive review of the warehoused records, and the criminal investigator talked with the FBI and U.S. Attorney's office regarding the 1990 trial of former MGSL owner James B. McDougal. The criminal investigator learned that the FBI was previously aware of the fabricated subsidiary minutes and had taken no criminal action. Tulsa Investigations management was advised accordingly and that aspect of the review was suspended.

The warehoused records revealed additional Whitewater checking account statements, raising further questions about the payee's on some of Whitewater's checks. A number of documents belonging to the former Chief Financial Officer of MGSL/MFC were located. Among these documents were several accountant/ledger worksheets on numerous MFC subsidiary land "developments", all of which were heavily subsidized by MGSL. Included in one of the development worksheets marked "Maple Creek Farms" was an item denoting a $30,000 charge to Whitewater for the cost of an engineering survey; this was the first indication of a relationship between MGSL and/or MFC and Whitewater beyond the existence of the Whitewater checking account. Original microfilm, along with pertinent original documents from the warehouse, were sent back to Tulsa for further investigation. Research was conducted on twelve McDougal and/or McDougal business partner controlled accounts, including Whitewater. Check copies were produced for a two year period between 6/84 and 6/86; a standard investigative procedure when tracing the flow of funds.

5/1/92
to
7/15/92

During the first week of 5/92, all Tulsa Consolidated Office employees were advised that the Tulsa office would be permanently closing at the end of 7/92. All Tulsa Investigations records were shipped to the Kansas City Office, thus putting the Madison investigation on hold. The copy process on the McDougal and/or McDougal business partner controlled accounts was suspended as well, due to equipment and records relocation.

8/1/92
to
9/2/92

The criminal investigator transferred to the Kansas City office at the end of 7/92, resuming the analysis of Madison documents and checks. A criminal referral (#C0004) was subsequently generated alleging a $1.5 million check kiting scheme between the McDougal and/or McDougal business partners controlled entities, including Whitewater. This referral was submitted to the FBI and U.S. Attorney, Eastern District of Arkansas on 9/2/92.

9/3/92
to
12/15/92

Having submitted the initial referral on MGSL, the criminal investigator redirected priorities to the ongoing investigations of three other failed thrifts, which were intensifying. First Federal Savings, Paragould, Arkansas, which was reaching suspect plea negotiations, First America Savings, Ft. Smith, Arkansas, which had been referred from jurisdiction in the Western District of Arkansas to the Dallas Bank Fraud Task Force, and Cimmaron Federal Savings, Muskogee, Oklahoma, for which investigations had received an allegation of potential fraud from the managing agent. Throughout these investigations, the criminal investigator continued to request and monitor a response on MGSL referral #C0004.

12/15/92
to
3/14/93

The U.S. Attorney's office did not offer any standard response to the MGSL referral, advising either that a case would be opened or that prosecution would be declined, for three months. In response to numerous calls from the criminal investigator during that time, the Little Rock FBI Special Agent in Charge sent a letter of acknowledgement to the RTC stating that both the FBI and U.S. Attorney had received the referral and exhibits. The investigator continued to work on the aforementioned institutions while continuing to monitor a potential response on the MGSL referral.

3/15/93
to
5/4/93

The criminal investigator initiated a preliminary review of criminal activity at Savers Savings, Little Rock, Arkansas, out of which a former borrower had been convicted and sentenced in conjunction with a failed Texas S&L. This review involved extensive interviews with

	the borrower, and a review of his personal and corporate records prior to his sentencing and incarceration in late 4/93. The investigator continued to make verbal requests for a written response from the FBI or U.S. Attorney on MGSL referral C0004.
5/4/93 to 5/25/93	On 5/4/93, the criminal investigator sent a letter to the U.S. Attorney inquiring about the status of the referral. The response from the U.S. Attorney referred the investigator to the U.S. Justice Department in Washington D.C. The criminal investigator initiated a series of calls to DOJ/Washington to ascertain the status of the referral. Simultaneously, the criminal investigator, criminal investigations department head and the field investigations officer determined that the most expedient way to complete the investigation of previously defined criminal allegations at MGSL was to supplement the investigative manpower.
5/31/93 to 6/4/93	Three additional criminal investigators were assigned the task of reviewing loan transactions, checking accounts and subsidiary lending transactions to ascertain the level of criminal activity at both MGSL and MFC. The lead investigator, along with another task assigned investigator, returned to the Little Rock warehouse for further document review. The investigators additionally travelled to four other counties to review land records pertaining to property sales, loan and mortgages reflected in the County Clerk's offices. Those findings were shared with the other assigned investigators.
6/5/93 to 10/8/93	The four investigators reviewed and analyzed all available MGSL transactional information for the ensuing 120 days. As a result, nine additional criminal referrals involving multiple MGSL and MFC transactions were generated and submitted to the U.S. Attorney and FBI on 10/8/93.
10/17/93	The lead criminal investigator received a letter from the new U.S. Attorney for the Eastern District of Arkansas, Paula J. Casey. The letter stated that referral #C0004, submitted 9/2/92, had been declined due to "insufficient information".
11/1/93 to 1/24/94	RTC Criminal investigations continues to support the investigative efforts of the FBI and U.S. Attorney by providing MGSL and MFC documents warehoused in Kansas City, and offering assistance with ongoing subpoena compliance.

The responsibility for investigation of all failed Arkansas thrifts was assumed by the Tulsa RTC Office of Investigations during the first quarter of 1991. Responsibility was assumed from the Eagan/Minneapolis RTC Office of Investigations; the lead Eagan investigator for Madison Guaranty Savings, Little Rock, Arkansas at that time was Mike Hammerly.

When the Tulsa office assumed this responsibility, Madison Guaranty was assigned to civil Investigator Wyatt Adams. Shortly after the reassignment of the Arkansas thrifts, several members of the Tulsa Office of Investigations made a sweep through the failed Arkansas shops and appropriated all the records deemed necessary for the effective completion of both civil and criminal investigations.

In mid summer 1991, Investigator Wyatt Adams traveled to Little Rock to review Madison Guaranty records held by the acquiring entity, Central Bank and Trust, in an old, non-climate controlled building downtown on the river, which had been converted to a "records storage" facility. According to Adams, when he arrived there were extensive records in poor condition, haphazardly heaped into the storage space on the second floor, which was poorly lit and protected by a chain link fence and a padlock. Boxes were on their sides with records dumped out, DDA binders were poorly stacked in one corner, and multiple boxes had been shoved into shelving, with no identifiable inventory. It should be noted that these records were already in the warehouse at the time of the Investigations team Spring 1991 "sweep" through the Arkansas thrifts, and that the former Managing Agent concurs that, to his knowledge, there was no inventory of these records.

In July 1991, the criminal investigation of Madison Guaranty was assigned to Investigator Jean Lewis. A follow-up criminal investigation was tentatively slated to begin during the third quarter of 1992, due to the fact that former thrift owner James B. McDougal had previously been tried on Bank Fraud charges stemming from Madison Guaranty, and was acquitted in 1990. The follow-up investigation was intended to ensure that any remaining potential criminal matters had been properly reviewed and addressed.

In March 1992, Senior Investigative Specialist Jon Walker contacted the Kansas City regional RTC office regarding an article that had appeared in the New York Times stating possible ties between Whitewater Development, Madison Guaranty Savings and Loan, and Bill & Hillary Clinton. Personnel in the KC regional office then contacted the Tulsa office with a request that this issue be reviewed to determine if Investigations was aware of, had reviewed and/or appropriately addressed matters pertaining to the possible relationship between Whitewater Development and Madison Guaranty.

After a review of all available Tulsa Investigations inventory documents, Investigators Adams and Lewis were detailed to the warehouse in Little Rock to review the remaining Madison records and ensure that nothing had been overlooked with regard to any potential action on this matter. Investigator Lewis noted, with concurrence from Adams, that upon arrival that the records were in very poor condition, appeared to have been dumped and/or crammed into the warehouse space, and that there was no available inventory provided by Central Bank & Trust personnel which could identify the nature of these records. Investigator Adams noted that this was the same condition in which he'd found the records in 1991. Boxes had to be rearranged in order to establish work space and room for a table and two chairs.

During the review of these records, neither Investigator Adams or Lewis located any loan files and loan records relating specifically to Whitewater Development or the Clintons. Investigator Adams then went through a number of Demand Deposit Account binders, to ascertain if Whitewater had maintained a checking account at Madison Guaranty. He located an account and statements for 1984, 1985 and 1986. Investigator Lewis reviewed multiple boxes of records, and recovered several documents from former thrift officer files that warranted further review. Among those documents was a ledger sheet marked "Reserve for Development - Maple Creek Farms" from the records of former Madison CFO Greg Young. On that ledger sheet was noted a $30,000 development reserve cost for an engineering survey charged to Whitewater Development. There was also a limited amount of microfilm located at the warehouse, which was appropriated under the terms of the P&A Agreement and returned to Tulsa along with several DDA binders, with permission from Central Bank & Trust. A signed receipt containing an itemized list of the documents taken by Investigators Adams and Lewis was left with [redacted] of CB&T.

Prior to departing Little Rock, Investigators Adams and Lewis reviewed the Madison daily work film held by Central Bank & Trust to research the flow of funds through the Whitewater account as pulled from the monthly statements, which is a standard operating procedure for Investigations. Several checks payable to the Bank of Cherry Valley which identified loan numbers, were identified and copied from the daily work. Also copied were numerous check payable to entities entitled Pembroke Manor, Rolling Manor, Madison Marketing and others, all of which were signed by James or Susan McDougal, payable to Whitewater Development and contained the notation "loan" in the memo field on the check. Accounts were located and reviewed for these other identified entities; similar checks containing the "loan" notation were found to have been paid between the entities. At that time, both investigators concurred that additional research would be appropriate, and requested all available film relating to Madison Guaranty and returned it to Tulsa, leaving a receipt for the film, binders and original documents pulled from former office files with CB&T employee Bonnie Crocheron. Copies of the entity statements and checks were pulled and/or duplicated from film for the years 1984, 1985 and 1986. [redacted]

After the original film was duplicated, the duplicates were returned to Central Bank & Trust for their retention, and the original film was retained in Tulsa by an RTC research contractor. The criminal investigation of Madison then continued, as the civil claims had previously been closed out by PLS.

In conjunction with the ongoing Madison investigation, Kansas City Investigators Jean Lewis and Randy Knight traveled to Little Rock in 5/93 to revisit the Madison records held in the downtown warehouse. Upon arrival Investigator Lewis immediately noted the condition of the records was significantly more organized than it had been during the previous visit, and it was evident that a number of boxes had been cleared out.

During this visit to the warehouse, Investigator Lewis learned from the storage facility attendant that the law firm of Mitchell, Selig, Jackson, Tucker & White, former general counsel to Madison Guaranty Savings, also stored records at the warehouse.

A number of the remaining boxes were reviewed, and the keys returned to [redacted] at Central Bank & Trust. At that time, Investigator Lewis noted to [redacted] that the warehouse seemed to lack a number of boxes that had previously been there, and [redacted] advised that some of the records had been retrieved and were being held in a back room at the bank (CB&T). When asked why this had not been disclosed when the keys had been picked up rather than returned, Ms. Crocheron's response was "you didn't ask."

It should be noted that, according to the US Attorney's staff in Little Rock, [redacted] to Madison and was summoned before the Grand Jury for testimony. The outcome of that investigation has never been disclosed to this office.

In conjunction with the ongoing FBI investigation of the RTC's referrals, Investigations advised the FBI that additional original Madison Guaranty microfilm, along with the records at the warehouse, were under the control of Central Bank & Trust. It is the understanding of Kansas City Office of Investigations that the aforementioned records have now been subpoenaed by the U.S. Attorney's office and are now under the control of the Little Rock FBI. The original Madison film held by Investigations has also been turned over to the FBI along with other records subject to Grand Jury Subpoena.

5

RTC
Resolution Trust Corporation
Kansas City Consolidated Office
4900 Main Street, P.O. Box 419570
Kansas City, Missouri 64141 (816) 531-2212 (800) 365-3342

September 1, 1992

Mr. Steve Irons, Supervisory Special Agent
White Collar Crime Unit
Federal Bureau of Investigation
Two Financial Centre, Suite 200
P.O. Box 21370
Little Rock, Arkansas 72221

Re: #7236 Madison Guaranty Savings & Loan
Little Rock, Arkansas - In Receivership (11/29/90)
CRIMINAL REFERRAL NUMBER C0004

Dear Sir:

Certain matters have come to our attention which may constitute criminal offenses under Federal law. Enclosed is a report of an Apparent Criminal Irregularity.

Information in this referral may have been derived from financial records of customers of federally insured financial institutions. I hereby certify that (A) there is reason to believe that these records may be relevant to a violation of Federal criminal law, and (B) the records were obtained in the exercise of the RTC's supervisory or regulatory functions.

Due to the extensive nature of the exhibits relating to this referral, they are being submitted to the U. S. Attorney's office under separate cover at a later date.

Please direct any inquiries to the Investigator identified on the referral form, or to Lee O. Ausen, Department Head/Criminal Investigations, Kansas City Consolidated Office.

Sincerely,

L. Richard Iorio
Field Investigations Officer

Enclosure

RTC
Resolutio ust Corporation
Kansas City Consolidated Office
4900 Main Street, P.O. Box 419570
Kansas City, Missouri 64141 (816) 531-2212 (800) 365-3342

6

September 1, 1992

The Honorable Charles A. Banks
United States Attorney
Eastern District of Arkansas
U.S. Post Office and Courts Building
600 W. Capitol, Room 331
P.O. Box 1229
Little Rock, Arkansas 72203

Re: #7236 Madison Guaranty Savings & Loan
Little Rock, Arkansas - In Receivership (11/29/90)
CRIMINAL REFERRAL NUMBER C0004

Dear Sir:

Certain matters have come to our attention which may constitute criminal offenses under Federal law. Enclosed is a report of an Apparent Criminal Irregularity.

Information in this referral may have been derived from financial records of customers of federally insured financial institutions. I hereby certify that (A) there is reason to believe that these records may be relevant to a violation of Federal criminal law, and (B) the records were obtained in the exercise of the RTCs supervisory or regulatory functions.

Due to the extensive nature of the exhibits relating to this referral, they are being sent to your office under separate cover.

Please direct any inquiries to the Investigator identified on the referral form, or to Lee O. Ausen, Department Head/Criminal Investigations, Kansas City Consolidated Office.

Sincerely,

L Richard Iorio

L. Richard Iorio
Field Investigations Officer

Enclosure

7

MEMORANDUM

TO: Criminal Admin File

FROM: Jean Lewis
Criminal Investigator

DATE: May 3, 1993

RE: Background remarks and conversation with AUSA Bob Roddey's office re: Madison Guaranty Savings referral

In March 1993, shortly after the departure of former U.S. Attorney Chuck Banks, I was advised by AUSA Bob Roddey on an unofficial basis, that Banks had forwarded the "Madison referral" to Justice in Washington D.C. almost immediately after receiving it last September; Roddey also added that Banks had taken this action as the referral was "politically hot".

I contacted Roddey's office early this afternoon to see if AUSA Floyd Mac Dodson was still with the U.S. Attorney's office, of if he had left with Chuck Banks. I was advised by Roddey's secretary, Laura, that Dodson did, in fact, leave with Chuck Banks, and she offered me their number, which I declined. I asked her what would have happened to Dodson's cases, and she offered to "check the computer" and call me back, if I could give her a specific case, which I did, identifying Madison Guaranty Savings criminal referral # C0004.

Approximately five minutes later, Laura called back and advised me that no record of that referral showed up in their computer system; she then advised me that in conversing with AUSA Roddey, he told her that Banks had sent it to Justice in Washington, and that "we'd probly never hear about it again".

A letter inquiring about the status of the referral has been prepared to send to U.S.A. Pence later today.

cc: Richard Iorio
Lee Ausen

8

MEMORANDUM

TO: Criminal Admin File

FROM: Jean Lewis

DATE: May 19, 1993

RE: Additional conversation with Office of Legal Counsel for U.S. Attorney's, U.S. Justice Department, Wash., D.C.

In following up my previous discussion with the Office of Legal Counsel on May 13, I contacted Dyone Mitchell (secretary) of that office to see if she had been able to determine the status of the Madison referral, as I had not heard back from her. She consulted her notes and advised me that they "have no record of that referral, it is not in their computer system, it has not been given to an attorney"; upon repeating this response to her, she reiterated "no ma'am, that referral has not been submitted to this office."

After advising Lee Ausen and Richard Iorio of this conversation, the decision was made to resubmit the referral through the U.S. Attorney's office in Little Rock, and contact Ms. Mitchell in the Office of Legal Counsel to see if that office should be copied on the referral and letter to Richard Pence, U.S. Attorney in Little Rock. I contacted Ms. Mitchell again to inquire as to whether that office should be copied on the referral. She said yes, and when I asked to whose attention it should be directed, she responded that it should be sent to Acting Assistant Attorney General Daniel Koffsky, as the Assistant Attorney General, Mr. Dellinger, has not yet been confirmed.

The letter of re-submission will be prepared this afternoon, with a copy going to Mr. Koffsky's attention.

cc: Richard Iorio
Lee Ausen

[illegible]
[illegible] NW
[illegible]

9

To: L. Richard Iorio@Investigations@RTCKCMID
Cc: Lee O. Ausen@Investigations@RTCKCMID
Bcc:
From: L. Jean Lewis@Investigations@RTCKCMID
Subject: #7236/Madison Guaranty Savings
Date: Wednesday, May 19, 1993 15:55:03 CDT
Attach:
Certify: Y
Forwarded by:

In following up on the suggestion that Mr. Daniel Koffsky, Acting Assistant Attorney General, be sent a copy of Madison referral # C0004, I contacted the Office of Legal Counsel to verify the correct address. In speaking with Dyone Mitchell of that office, I reiterated the address provided by US Atty Richard Pence, which reads:

Office of Legal Counsel
Executive Office for the U. S. Attorneys
U. S. Justice Department
Washington, DC 20530

The letter provided the phone number (202) 514-2041.

Ms. Mitchell advised that the Office of Legal Counsel and the Executive Office for the U. S. Attorney's were two separate sections, and that the referral may have been forwarded to the Executive Office instead of Legal Counsel. She then connected me with the operator, who put me through to the Executive Office where I spoke with Stephanie Kennedy. I explained to Ms. Kennedy what I was looking for, and she said she would get back to me this afternoon.

She called me back at 3:30, and advised that she had forwarded the matter on to Donna Henneman in "Legal Counsel", who would check it out and call me back tomorrow. I then contacted Ms. Henneman to offer background information on what I was looking for. When I explained that it was a referral out of Madison Guaranty, forwarded to that office by Chuck Banks, she had immediate knowledge, stating "oh, the one involving the President and his wife". She then stated that the referral had been sent to that office (exactly which office is still unclear to me) as a special report for the attention of the Attorney General, and not as a referral for prosecution. She then stated that "anytime a referral comes in that would make the department look bad, or has political ramifications, it goes to the Attorney General." She further added that the referral had been submitted to that office "because of the political ramifications and political motivations", and then told me that referrals were not prosecuted out of that office. She then stated that the referral had been declined. I advised her that the referral had not been declined, and read her the letter sent to this office by U.S. Attorney Richard Pence. She acknowledged that she was confused, and told me she would speak with her supervisor, Deborah Westbrook, and have her call me back tomorrow. I then asked for Ms. Henneman's title, and she informed me that she was the Ethics Program Manager. I thanked her and ended the conversation.

I'll keep you posted if and when I hear from Ms. Westbrook.

10

To: L. Richard Iorio@Investigations@RTCKCMID
Cc: Lee O. Ausen@Investigations@RTCKCMID
Bcc:
From: L. Jean Lewis@Investigations@RTCKCMID
Subject: #7236/Madison Guaranty
Date: Wednesday, May 26, 1993 16:10:47 CDT
Attach:
Certify: Y
Forwarded by:

I've just received a follow-up call from Donna Henneman at Justice in D.C. She informed me that after speaking with Deputy Director/EO Wayne Rich she learned that referral #C0004 had been sent to former Special Counsel Ira Raphelson. I noted that Mr. Raphelson is now in private practice, she concurred and said that she wasn't sure where it had gone after he left, but that she was going to call the "criminal fraud division at Justice" and see if they are prosecuting the case or if a declination letter has been issued. I restated that, to my knowledge, the referral had not been declined, and that I had been advised by an FBI agent in Little Rock that it was a "very solid case of check kiting, and was highly prosecutable."

I then identified the [redacted] suspects named in the referral [redacted] for her reference, and she thanked me and told me she'd be back in touch as soon as she found something. She also stated that she was growing increasingly frustrated with the situation, because she had seen the information, knew that it had come in, and couldn't understand why she was having such a hard time tracking where the referral and exhibits had gone.

To date, each time she has given me a date that she would call back, she has kept her word. I'll let you know when I hear from her again.

11

o: L. Richard Iorio@Investigations@RTCKCMID
c: Lee O. Ausen@Investigations@RTCKCMID
cc:
rom: L. Jean Lewis@Investigations@RTCKCMID
ubject: Madison Guaranty
ate: Tuesday, June 8, 1993 15:16:49 CDT
ttach:
ertify: Y
orwarded by:

---

s we discussed this morning, I was going to contact Audrey Word at DOJ in ashington this afternoon; however, before I could call, Donna Henneman in the xecutive Office for U.S. Attorney's called me. It seems that Madison eferral # C0004 has reappeared on her desk. Audrey Word was successful in ocating the referral within the Fraud section of the Criminal Division and etermined that the individual assigned to the referral "didn't want to deal ith it", so she sent the referral and all pertinent info back to Donna enneman for further disposition.

onna advised me that the Criminal Division (no one specifically identified) ent a memo to Doug Frazier, Associate Deputy Attorney General (in Depty Atty eneral Heyman's office) advising him that there was "no identifiable basis or recusal of the U.S. Attorney in the Eastern District of Arkansas"; this as a direct quote from the memo, as she read it. She then told me that she'd ontacted Mr. Frazier who did not remember receiving the memo, and suggested hat she get the memo and the referral to him for review and a final decision.

he has subsequently sent him both the referral and the memo, and said she'll eep me posted. I then advised her that during the intervening period, dditional information has surfaced that would further support the allegations ntained in the referral, so I would be most curious as to their decision. I en concluded the conversation by telling her "whatever the decision is, I ed something in writing so that I can close out the file with a declination, offer support for an ongoing case." She agreed and said she'd stay in uch.

'll keep you posted.

12

To: L. Richard Iorio@Investigations@RTCKCMID
Cc: Lee O. Ausen@Investigations@RTCKCMID
Bcc:
From: L. Jean Lewis@Investigations@RTCKCMID
Subject: #7236 Madison Guaranty Savings
Date: Wednesday, June 23, 1993 15:21:55 CDT
Attach:
Certify: Y
Forwarded by:

At approximately 3:00 this afternoon, I spoke with Donna Henneman in the Executive Office for U.S. Attorneys, regarding the status of the Madison referral #C0004. She advised that she had sent the "package" to Associate Deputy Attorney General Doug Frazier on June 8, as we had previously discussed, but that she had received the entire package back on her desk today with no further answers, as Mr. Frazier was now the new U.S. Attorney in one of the Florida districts; she had not determined whether Mr. Frazier had taken any action prior to his departure, and had spoken with her supervisor regarding her next action shortly before I contacted her. She advised that she will attempt to contact Mr. Frazier in Florida sometime tomorrow, and determine what decision, if any, had been made.

She then advised that "this sort of thing happens all the time when we're trying to get the guys upstairs to make a decision." She said she'd be back in touch as soon as she had an answer from Doug Frazier, or his replacement, a Mr. Dave Margolis.

This was the 8th conversation I've had with Ms. Henneman since I first contacted her on May 19, 1993.

'll keep you posted.

13

o: L. Richard Iorio@Investigations@RTCKCMID
c: Lee O. Ausen@Investigations@RTCKCMID
3cc:
rom: L. Jean Lewis@Investigations@RTCKCMID
ubject: #7236 Madison Guaranty Savings
ate: Wednesday, June 23, 1993 15:37:30 CDT
ttach:
ertify: Y
orwarded by:

---

onna Henneman (EO/US Attorneys) just called me back to let me know she'd poke with former Associate Deputy Attorney General Doug Frazier. He advised er that he met with Tony Muscato, the Director of the Executive Office for .S. Attorney's, and that the decision has been made to return the referral to he U.S. Attorney in the Eastern District of Little Rock, as there was "no asis for the recusal of the U.S. Attorney", and apparently a lack of conflict of interest."

s. Henneman then added that she doubted whether or not the U.S. Attorney, astern District/Arkansas would be aware of this situation yet, but suggested hat I wait a few days and then contact that office in Little Rock.

e asked to be kept posted on the outcome, and offered her continued ssistance whenever and however possible.

(14)

To: L. Richard Iorio@Investigations@RTCKCMID
Cc: Lee O. Ausen@Investigations@RTCKCMID
Bcc:
From: L. Jean Lewis@Investigations@RTCKCMID
Subject: #7236 Madison Guaranty Savings
Date: Tuesday, June 29, 1993 16:08:21 CDT
Attach:
Certify: Y
Forwarded by:

I received a call this afternoon from a highly reliable and confidential source, that the Madison referral (C0004) has been returned to the U.S. Attorney's office in Little Rock, Arkansas. My source has advised me that the acting U.S. Attorney, Richard Pence, has stated he has no intention of acting on this referral, and plans to let it sit until such time as the new U.S Attorney designee Paula Casey, takes office on either an interim or permanent basis. It was stated that there was displeasure at the fact that the referral had been returned to the Little Rock office, and that the reason cited for it's return was that the Executive Office for U.S. Attorney's found no basis for recusal, and no conflict of interest emanating from the U.S Attorney's office in the Eastern District. However, the acting U.S. Attorney is of the opinion that if the (strong) case against James McDougal is taken to trial, it will appear to be "sour grapes" due to his acquittal during his first bank fraud trial.

I was further advised that there is no definite date yet as to when Ms. Casey's confirmation will occur, and that it is likely that she will assume her responsibilities on an interim basis. My source has advised that I will get a "head's up" call when Ms. Casey assumes her new responsibilities, but that such appointments have been delayed in the past, and may take a while.

I'll keep you advised should I hear anything further.

15

To: L. Richard Iorio@INVEST-1@RTCKC
Cc: Lee O. Ausen@INVEST-1@RTCKC
Bcc:
From: L. Jean Lewis@INVEST-1@RTCKC
Subject: #7236 Madison Guaranty Savings
Date: Thursday, September 23, 1993 15:03:56 CDT
Attach:
Certify: Y
Forwarded by:

I've just had a conversation with Donna Henneman, Ethics Program Manager, Executive Office for U. S. Attorneys. I called Donna to make a final determination as to whether or not she wants formal notification of the existence of the subsequent referrals being submitted to the U. S. Attorney, Eastern District of Little Rock, on Madison.

In discussing the standard RTC procedure of the submission of referrals, she has requested that she be copied on the transmittal letters that go to the U. S. Attorney and FBI. At the time she receives the copies of those letters, she will then request the referrals and exhibits from the U. S. Attorney's office for any necessary follow up. So, at her request, I'll ask Donna Minton to cc: Ms. Henneman in her official capacity. She felt that a letter requesting copies at this point was unnecessary, and if it becomes necessary, she will go through her channels at Justice to obtain the documentation from U. S. Attorney Paula Casey. Donna has also requested that I provide a brief one paragraph summary of the content of the referrals with the transmittal letters, so that she will be aware of those with "sensitivity issues." I will be glad to provide the requested summary as an addendum paragraph to the bottom of each transmittal letter.

he then asked me about the final disposition of MGS&L referral C0004. I told er that I had been advised that it was received back in the U. S. Attorney's ffice, but that I had received no formal notification that a case had been pened, nor a declination letter. I expressed my concerns that the same ituation could befall the next referrals to be submitted, and she assured me hat she and her supervisor, Deb Westbrook, would stay closely in touch with he situation, due it's potentially political ramifications, some of which I xplained for her edification.

he asked me to stay in touch as to the responses that I get from the U.S. ttorney's office, and assured me that, if necessary, the "higher-ups" at ustice would make sure something got done with these referrals, including the irst one, which in her words "should have been handled by now, one way or the ther."

'll keep you posted.

16

To: L. Richard Iorio@INVEST-1@RTCKC
Cc: Lee O. Ausen@INVEST-1@RTCKC
Bcc:
From: L. Jean Lewis@INVEST-1@RTCKC
Subject: #7236 Madison Guaranty Savings
Date: Wednesday, September 29, 1993 12:16:43 EDT
Attach:
Certify: Y
Forwarded by:

I've just received a call from Donna Henneman, Ethics Program Manager, Executive Office for U. S. Attorney's, Washington, D. C. She advised that she had spoken to her supervisor, Deb Westbrook, and Ms. Westbrook's supervisor, Doug Frazier, regarding whether or not the Executive Office wanted copies of the madison referrals slated for submission this week. Ms. Westbrook and Mr. Frazier have determined that the Executive office should receive copies of the referrals and exhibits. Upon receipt, they will review them and determine whether to instruct the U.S. Attorney's office to act on them accordingly, or if they should be forwarded to the Public Integrity Section of DOJ for further review. I inquired as to the nature of the Public Integrity Section and was advised that it is the section of DOJ responsible for the prosecution of public officials. Ms. Henneman also advised that they have made the decision to get the Deputy Attorney General's office involved in this situation, and bring them up to speed.

I asked her to submit this request in writing, in order to document the Investigations file and she responded that she would do so, faxing me a letter this afternoon. I've provided her with the fax number and will copy you upon receipt of her letter.

To briefly summarize the situation to date, I contacted the Executive Office for U. S. Attorney's on May 13, 1993, at the written suggestion of U.S. Attorney Richard Pence, pursuant to his letter of May 10, 1993 regarding my written inquiry as to the final disposition of Madison referral #C0004, submitted on 9/1/92. Mr. Pence advised that the referral had been forwarded to the Executive Office by former U.S. Attorney Charles A. Banks due to what he deemed was a "conflict of interest". This information was relayed to Ms. Henneman during my first conversation with her. During subsequent calls I received from Ms. Henneman, she advised me as to her progress in tracking the whereabouts of referral #C0004, which she finally located and had forwarded back to her office on June 8, 1993. At that time, Ms. Henneman advised me that the decision had been made by personnel in the Criminal Division of DOJ that there was "no identifiable basis for recusal of the U.S. Attorney in the Eastern District of Arkansas", and that the referral would be forwarded back o the U. S. Attorney's office in Little Rock. Since that time, Ms. Henneman has contacted me to follow up on the final disposition of the referral. I have advised her that this office has not yet received notification of an opened case, or a letter declining prosecution. During these aforementioned onversations, the issue was raised as to further referrals, and whether the xecutive Office should be copied on any further referrals to avoid a ecurrence of circumstances. I received notification of that decision today hen Ms. Henneman contacted me, as previously outlined.

lease let me know if you have any questions.

15819

17

To: L. Richard Iorio@INVEST-1@RTCKC
Cc: Lee O. Ausen@INVEST-1@RTCKC
Bcc:
From: L. Jean Lewis@INVEST-1@RTCKC
Subject: #7236 Madison Guaranty Savings
Date: Wednesday, September 29, 1993 16:22:55 EDT
Attach:
Certify: Y
Forwarded by:

I've received a follow-up call from Donna Henneman with the Executive Office for U. S. Attorneys. She spoke with her supervisor, Deb Westbrook, regarding my request for a written follow-up to her verbal request that the Executive Office be copied on all the Madison referrals and exhibits. Ms. Westbrook has withdrawn her initial request for copies, and stated that they will go through the U. S. Attorney's office to obtain copies rather than having us copy their office directly. Ms. Henneman indicated that this route would not make the U. S. Attorney's office feel as though the Executive Office was "going behind their back" in requesting copies of the referrals.

She then reiterated that she would like to be copied on the transmittal letters that will be sent with the referrals to the U. S. Attorney and the FBI, with a brief summary paragraph outlining the suspects and content of each referral. I agreed to her request, and will make arrangements to provide the requested summary on the transmittal letters.

I'll let you know if I hear from her again.

18

To: Lee O. Auben@INVEST-1@RTCKC
Cc: L. Richard Iorio@INVEST-1@RTCKC
Bcc:
From: L. Jean Lewis@INVEST-1@RTCKC
Subject: #7236 Madison Guaranty
Date: Tuesday, October 26, 1993 15:35:28 CDT
ttach:
ertify: Y
Forwarded by:

Just FYI...

ased on our conversation this afternoon regarding the OCC's inability to ocate their past exams for UNB/Little Rock, I took a shot at a hunch, and ade another call to Cristina Flechas, the attorney for the FDIC in Memphis ho had previously advised me (in response to my written request of 6/23) that CC would have been the regulatory agency for UNB during 1986.

ristina, so I have learned, is no longer with the FDIC in Memphis. However, spoke to her successor, Broderick Nichols, and outlined the previous request ith him, asking him if he would do some additional followup just on the off hance that the FDIC might have done a concurrent exam on UNB with OCC at some oint between 1983 and 1987. I then explained to him that the OCC seemed to e having some difficulty in locating their records, and advised him that I as informed by OCC that prior to 1991, UNB was actually First National Bank f Jacksonville. Well, it turns out that Broderick Nichols is from Little ock. What a small world! And he evidently grew up knowing where Union ational Plaza is and that Union National Bank was, and still is, the largest ank in Little Rock. He was somewhat concerned about the fact that OCC ouldn't find their exams, and has offered his expeditious assistance in ocating any concurrent exams done by FDIC. He's also offered to aid me in ocating other potential leads and sources within OCC that might be able to ediscover the whereabouts of the UNB exams. He couldn't quite understand how he OCC could lose a $500 million bank. Does this sound familiar??

'll keep you posted.

19

To: L. Richard Iorio@INVEST-1@RTCKC
Cc: Lee O. Ausen@INVEST-1@RTCKC
Bcc:
From: L. Jean Lewis@INVEST-1@RTCKC
Subject: #7236 Madison Guaranty
Date: Wednesday, October 27, 1993 13:37:23 CDT
Attach:
Certify: Y
Forwarded by:

Just got a call from Donna Henneman, Ethics Program Manager, Executive Office for U.S. Attorneys. She asked if I'd received a declination letter on the first referral (C0004) from the U.S. Attorney in Little Rock. I told her that ve had not received a declination to date. She then advised that her supervisor, Deb Westbrook, had evidently had a conversation with U.S. Attorney aula Casey, and that Ms. Casey stated that she would be sending a declination etter to the RTC on that particular referral. No date was given, and Donna lid not reference the date of the conversation between Ms. Westbrook and Ms. asey. I asked Donna if she knew the basis for the declination, and she esponded that she did not, and hadn't seen a copy of the letter either. She hen suggested that if I do not receive the letter of declination within a airly short time frame, to please let her know.

onna also noted that Ms. Westbrook advised her that USA Casey had stated she ould "deal" with the other referrals as well.

'll keep you posted as to any further calls from Ms. Henneman.

ATT - 1

United S Attorney
Eastern D ict of Arkansas

Post Office Box 1229
Little Rock, Arkansas 72203

October 27, 1993

20

Ms. L. Jean Lewis
Criminal Investigator
Resolution Trust Corporation
4900 Main Street, Suite 200
Kansas City, MO 64112

Re: #7236 Madison Guaranty Savings and Loan
Criminal Referral Number C0004

Dear Ms. Lewis:

I am writing at the request of the Office of Legal Counsel, Executive Office for U.S. Attorneys of the U.S. Department of Justice to let you know the status of this referral.

As you know, this referral was reviewed by the Criminal Division of the U.S. Department of Justice at the request of the previous United States Attorney for the Eastern District of Arkansas. The matter was concluded before I began working in this office, and I was unaware that you had not been told until I was contacted by the Office of Legal Counsel. After receiving the call from Legal Counsel I reviewed the referral, and I concur with the opinion of the Department attorneys that there is insufficient information in the referral to sustain many of the allegations made by the investigators or to warrant the initiation of a criminal investigation.

Although I am declining to take further substantive action on this referral, my decision does not foreclose future prosecutions about the matters covered by the referral or related matters in the event that my office and the FBI are given access to records or information indicating that prosecutable cases can be made.

Sincerely,

Paula J. Casey

PAULA J. CASEY
United States Attorney

cc: Debra Westbrook
Office of Legal Counsel

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

21

November 1, 1993

The Honorable Paula J. Casey
United States Attorney
Eastern District of Arkansas
P.O. Box 1229
Little Rock, Arkansas 72203

Re: #7236 Madison Guaranty Savings & Loan
Criminal Referral Number C0004

Dear Ms. Casey:

I have received your October 27, 1993 letter regarding the above captioned thrift and referral. On the basis of comments contained within your letter, I am interpreting that correspondence as a formal declination to prosecute referral #C0004. You stipulated in your letter that this matter was concluded prior to the beginning of your tenure as the United States Attorney for the Eastern District of Arkansas. Prior to the receipt of your letter, RTC Investigations was not advised that the matter had been formally concluded.

Between September 1, 1992 and today's date, this office has received a total of three letters with regard to the aforementioned referral, including your letter of declination. The other two letters were from FBI/SAC Don Pettus, 12/15/92, acknowledging receipt of the referral, and from Acting United States Attorney Richard Pence, 5/10/93, advising this office that he was unaware of the referral status as it had been forwarded to the Executive Office for United States Attorney's by former United States Attorney Chuck Banks.

If there were other documents produced that are relative to the conclusion of this matter, I would appreciate receiving the appropriate copies.

The RTC Kansas City Office of Investigations will continue it's policy of cooperation with both the United States Attorney's office and the FBI on all referral related and investigative matters, making all pertinent records accessible as requested.

Should you have any further questions, or if this office may be of further assistance, please do not hesitate to contact me at (816) 968-7237, of if I am unavailable, Supervisory Investigator Lee Ausen at (816) 968-7243 or Field Investigations Officer Richard Iorio at (816) 968-7212.

Very truly yours,

L. Jean Lewis
Senior Criminal Investigator

cc: Debra Westbrook/Office of Legal Counsel
L. Richard Iorio/Field Investigations Officer/KCO
Lee Ausen/Supervisory Investigator/KCO

4900 Main Street, Suite 200, Kansas City, Missouri, 64112. (816)531-2212

22

To: Jane M. Jankowski@OLA@RTCKC
Cc: L. Richard Iorio
Lee O. Ausen
Michael X. Caron
Bcc:
From: L. Jean Lewis@INVEST-1@RTCKC
Subject: re: madison guaranty
Date: Wednesday, November 10, 1993 13:24:34 CST
Attach:
Certify: N
Forwarded by:

Hey you! Just a heads up to let you know that Mike Caron, Senior Criminal Investigator, is now the lead investigator on Madison...so anymore faxes you send should come to Mike's attention, and any further communication about Madison should go to him, too. The Powers That Be have decided that I'm better off out of the line of fire (and I ain't arguing), but please let me assure you, that we are leaving you in very capable hands! Got any questions beyond that, ask Lee or Richard...

o: James R. Dudine@Oper-inv@RTCDC
Dennis M. Cavinaw@EXEC@RTCKC
James G. Thompson@EXECFSC@RTCKC
A. Bowen Hinton@OLA@RTCKC,Jane M. Jankowski@OLA@RTCKC
c:
cc: L. Jean Lewis@INVEST-1@RTCKC
rom: L. Richard Iorio@INVEST-1@RTCKC
ubject: Madison Guaranty
ate: Monday, November 15, 1993 11:26:54 CST
ttach: WHITEPAP.MAD
ertify: N
orwarded by:

23

---

n Thursday, November 11, 1993, there was an article that appeared in the ashington Post concerning declination of prosecution on the first Madison eferral that was transmitted to the Department of Justice (DOJ) on August 31, 992.

ontained in the article was information that the referral had been reviewed y DOJ and that a decision had been made early on to decline on this referral nd that when Paula Casey US Attorney, Little Rock, Arkansas, in fact issued he declination in October 1993, she was simply bringing this matter to a lose.

he document attached clearly refutes this train of thought. In fact, it ppears that no thorough review of the document had been conducted as late as une 23, 1993, some ten months after the referral had been initially ransmitted. It was not until September 29, 1993 that this office was advised hat the referral would be reviewed.

his whole issue might not be important, however, for purposes of credibility ith regard to the RTC's efforts in this area, this memo and attachment are ubmitted for factual clarity.

RTC Criminal Referral #C0004 on Madison Guaranty Savings was completed on August 31, 1992, signed by RTC Kansas City Investigations management on September 1, 1992, and sent via certified mail on September 2, 1992, to Charles A. Banks, U.S. Attorney, Eastern District of Arkansas, and SSA Steve Irons, FBI, Little Rock.

By early November 1992, no standard written response of prosecution or declination had been forthcoming from the U.S. Attorney's office. In mid November 1992, the lead criminal investigator made the first of a number of verbal requests to both the U.S. Attorney and FBI in Little Rock for some form of written acknowledgement that the referral had been received and reviewed. A written acknowledgement dated December 15, 1992, from FBI SAC Don K. Pettus, was received by the lead criminal investigator on January 4, 1993. This acknowledgement stated that the referral had been received, and that further questions should be directed to AUSA Floyd Mac Dodson, who had also received the referral and exhibits. On January 7, 1993, the lead investigator had a conversation with AUSA Mac Dodson in which he advised that he wasn't sure the referral was still in the U.S. Attorney's office in Little Rock, and that if prosecution occurred, it would probably be through a special attorney sent to Little Rock to handle the situation.

For four months, there was no further communication or correspondence received by Investigations on this matter. In a May 3, 1993, conversation between Investigations and the U.S. Attorney's office, it was indicated that referral #C0004 had been "sent to Justice in Washington almost as soon as it was received last September". On May 4, 1993 Investigations sent a written inquiry to Acting U. S. Attorney, Richard M. Pence, requesting the status of the referral. On May 12, 1993, Investigations received a letter from Mr. Pence (dated May 10, 1993) stating that former U.S. Attorney Charles Banks had determined that his office had a conflict of interest with conducting an investigation or prosecuting criminal charges relating to referral #C0004, and had sent the referral and exhibits to the Office of Legal Counsel ("OLC"), Executive Office for U.S. Attorney's, U. S. Justice Department, Washington D. C. He stated that any further inquiries as to the status of the referral should be directed to that office, providing a phone number in Washington D. C.

As suggested by Mr. Pence, the lead investigator called the OLC on May 13, 1993. This initiated a series of 15 phone calls between the OLC and Investigations; 10 taking place between May 13 and June 29, 1993, and five transpiring between September 23 and October 27, 1993. The majority of these calls were incoming to Investigations, and provided information as to the progress being made with regard to locating and determining the status of the referral.

The June 23, 1993 conversation between Investigations and OLC indicated that the decision had been made to return the referral to the U.S. Attorney in Little Rock as there was "no basis for recusal of the U. S. Attorney" and apparent "lack of conflict of interest." During a conversation on September 23, the OLC inquired as to the "final disposition" of referral #C0004. They were advised by Investigations that no formal notification had been received of either a declination or intent to prosecute. Investigations then advised OLC that there were additional referrals pending; OLC then requested that Investigations remain in contact with the OLC regarding further communication from the U. S. Attorney in Little Rock.

On September 29, 1993, the OLC contacted Investigations and advised that 1) the Deputy Attorney General's office had been advised of the situation and 2) that the pending and prior referrals would be reviewed and a decision made as to whether or not they be forwarded to the Public Integrity Section of Justice and reviewed for potential prosecution. A verbal request was then made by OLC that they be copied on the transmittal letters to the U. S. Attorney accompanying the new referrals, and that they be further provided with a summary of each referral.

The nine new referrals were submitted to the U. S. Attorney and FBI in Little Rock on October 8, 1993. On October 13, 1993, the Office of Legal Counsel was provided with copies of the transmittal letters, and the requested summaries on each referral.

On October 27, 1993, Investigations received a call from OLC inquiring as to whether or not Investigations had received a declination letter on referral #C0004; the response was "no." Investigations was advised that U.S. Attorney Paula Casey had advised the OLC that she would be sending a letter of declination to RTC Investigations.

On November 1, 1993, Investigations received a letter dated October 27, 1993, from U.S. Attorney Paula Casey stating that the disposition of referral #C0004 had been concluded prior to her taking office, and that she "concurred with the opinion of the Department attorneys that there is insufficient information... in the referral to warrant the initiation of a criminal investigation."

On November 11, 1993, RTC Investigations learned through an article in the Washington Post, that Paula Casey had recused herself and her staff from any further dealing with the Madison referrals.

24

To: Lee O. . .sen@INVEST-1@RTCKC
Cc:
Bcc:
From: L. Jean Lewis@INVEST-1@RTCKC
Subject:
Date: Monday, November 15, 1993 17:27:58 CST
Attach:
Certify: N
Forwarded by:

A few comments with regard to our conversation this afternoon about the pending meeting with Donald Mackay and his staff on 11/22.

You know, Richard knows, Donohue knows, Mike knows, and I know that Mackay is not coming here to look at records. Cut to the bottom line. He is coming here because he wants to be convinced that there either IS or IS NOT a very good case behind those referrals. He isn't coming specifically to discuss subpoena compliance, because he hasn't opened any cases yet. He's coming here to evaluate us, our work, and to try and decide just how good this case is, and how he can best deal with a very sensitive political situation. What would be easiest for him is to decide that, after meeting with RTC Investigations, he can conclude that there is no merit, and has accordingly advised Investigations that the matter will be dropped. If we ion't convince him that those referrals are exceptionally solid, well prepared ind supportable cases, then there is very little doubt that he will dispense ith this situation in very short order.

Regardless of stated agenda, and regardless of whether or not I'm in ttendance, he's going to try and make an objective assessment based on what is presented to him during the meeting. If that's the way the meeting starts ut, then you better pull out all the stops to support the work we've done, or hat's the last we'll hear of the Madison investigation. That's my instinct alking, and so far, it's been pretty much on target.

ichael is extremely knowledgable about Madison, and very capable of handling he situation. I would not do him the injustice of thinking otherwise. But nternal political crap notwithstanding, if this meeting is going to turn into turkey shoot, then you are going to need every loaded gun you've got to ssist you in convincing this special prosecutor that the case is as good as t looks on the surface. And yes, we have strong documentation to support he allegations. But what's beneath the surface, including where we looked nd why, who's tied to who, who's in business with who, who got paid for what nd where all the internal and external ties are, isn't in writing. It's in y head.

've had my say. The decision is up to you and Richard.

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

25

December 21, 1993

Mr. Bill C. Houston, Regional Director
Division of Supervision
Federal Deposit Insurance Corporation
5100 Poplar Avenue, Suite 1900
Memphis, Tennessee 38137

Re: Bank [redacted]
[redacted]

The Bank [redacted]
[redacted]

Dear Mr. Houston:

The Resolution Trust Corporation's ("RTC") Kansas City Office of Investigations is currently conducting an investigation into matters relating to an insolvent Little Rock, Arkansas savings & loan. Significant evidence points to the possibilities of loan "parking", loan "swapping", insider abuse and collaboration between specific borrowers and the principals of the Bank [redacted], financial institutions in [redacted] [redacted], [redacted] and Little Rock, Arkansas including the aforementioned insolvent thrift. In order to expedite this investigation, I would appreciate your assistance in providing this office with copies of the Reports of Examination ("ROE") from 1983 through the most recent exam for the above captioned institutions.

This written request is made pursuant to the terms of the Agreement Regarding Confidential Information between the FDIC and RTC, as signed by FDIC General Counsel Alfred J. T. Byrne and RTC General Counsel Gerald L. Jacobs, effective January 1, 1992.

Should you have any questions or require additional information, please do not hesitate to contact me at (816) 968-7191. Your expedited attention to this matter is appreciated.

Very truly yours,

Michael E. Caron

Michael E. Caron
Senior Criminal Investigator
Office of Investigations

cc: L. Richard Iorio/Field Investigations Officer/KCO
Lee Ausen/Supervisory Investigator/KCO

4900 Main Street, Suite 200, Kansas City, Missouri, 64112. (816)531-2212

To: Jane M. Jankowski@OLA@RTCKC
L. Richard Iorio@INVEST-1@RTCKC
Lee O. Ausen@INVEST-1@RTCKC
Michael X. Caron@INVEST-1@RTCKC
:c:
3cc:
From: L. Jean Lewis@INVEST-1@RTCKC
Subject: [redacted]
Date: Thursday, January 6, 1994 18:12:05 CST
Attach:
:ertify: Y
forwarded by:

26

---

his is just to advise that earlier this evening, I received a call from [redacted], who started out her call with "I've been lied o by the Justice Department". I advised her that I could not offer any omment, but that I would listen to what she had to say.

he stated that her sources from DOJ, who were there during the end of the ush Administration, had advised her that the original RTC referral was taken uch more seriously than the public has been led to believe, and that while hey believed that the Clinton's definitely stood to benefit from the alleged heck kiting activities, they may not have had serious criminal culpability. hey also advised her that the referral was left in Little Rock to prosecute y former USA Chuck Banks, because for Washington to be involved would look too political." She said that they (her four DOJ sources) all told her that here was no basis for recusal, and no conflict of interest in Little Rock.

he then advised that Justice sources today informed her that it was line taff attorneys in the Criminal section of DOJ/DC that decided the referral arranted no further investigation, and instructed Paula Casey to decline.

ne also noted that her previous DOJ sources had said that after the Clinton iministration came into Washington, there were roadblocks put up around this eferral, and that it had been their opinion that the RTC staff was attempting o do a legitimate job, but was being stymied by personnel at Justice for some eason. She asked me if it was true that the Clinton's were named as itnesses on the referral; I declined comment. She asked me if it was true hat the RTC had not been notified for months after the referral was allegedly eclined by the staff attorneys in DC; I declined comment.

told her that she would have to call you (Jane) in Public Affairs for any dditional information, and she advised me that she'd already talked to you, nd got no information. She stated that she understood that I was in a ifficult position, for which I thanked her, and the conversation ended.

found what she had to say very interesting. In the future, I'll comply with chard and Lee's wishes that I not even listen to what a reporter has to say, nd just offer a no comment. However, when someone starts out with "I've en lied to by the Justice Department", it's human nature to wonder whether not its true.

us endeth the lesson.

January 6, 1993

This document is a recap of a phone call that I just received from [redacted], reporter [redacted], whose opening comment was "I've just been lied to by the Justice Department." My comment was that I would not be able to respond to any of her questions, but that I was fascinated by the fact that she thought she'd been lied to, so I would listen to what she had to say.

She outlined her credentials, stating that she'd written a book on drug trafficking, and had covered the "peanut loans", Bert Lance, Billy Carter, Jimmy Carter and the major governmental agencies during the Carter administration.

She'd been advised that I was the investigator on the case, and wanted to know which of the stories she'd been told by her sources at Justice were correct. Evidently, she had four former Justice sources who were there during the Bush administration, and that had been there when Chuck Banks sent the referral to Washington. The story they told her was as follows:

- The referral was originally sent to DC as an "urgent report" for the Attorney General's review, due in part to the political sensitivity of some of the identified names, stating that Banks felt his office had a confict of interest. (This coincides with what my letter from Richard Pence states, and what Donna Henneman told me during our many conversations on the whereabouts of the referral). There are conflicting stories about why Keeney wrote the memo referenced in the Schmidt/Isikoff story of 1/5; her sources stated that when the RTC referral was reviewed at Justice, it was taken much more seriously than the public has been led to believe, and that they believed that the Clinton's stood to benefit from the check kite although they may not have had serious criminal culpability. She asked if it was true that the Clinton's were named as witnesses on the referral; I told her no comment.

  She said that her former Justice sources advised her that Banks had never recused himself, and that CID/DOJ DC left the referral in Little Rock and told Banks to prosecute, because 1) there was no conflict of interest, 2) there was no basis for recusal, and 3) that for Washington to get involved would "look to political" since it was right before and after the '92 election. Her sources also indicated that DOJ now seems to be deliberately making it look like the referral was "vague" and "ambiguous", and not to be taken seriously.

  She stated that her sources told her that it appeared that the RTC folks were legitimately trying to do their job, and had legitmate concerns relating to the allegations contained the referral, but that when the Clinton administration came in, somebody started putting up roadblocks on the referral, and her sources didn't know where it was coming from.

- Her current Justice sources state that it was the line staff attorneys in CID/DOJ DC that made the decision several months ago that the referral warranted no further investigation, and instructed Paula Casey to decline accordingly; however, the RTC wasn't notified for months, which should have been corrected.

[redacted] went on to ask several questions, all of which I replied I could not answer, and referred her Public Affairs and Jane Jankowski. She stated that she'd already talked to Jane, and that it had gotten her nowhere. She asked if I knew anyone else that she could talk to, or if anyone that had left the RTC would have any information. I stated that there were no names that I could give her other than Jane Jankowski in Public Affairs. She then asked me if it was true that the RTC had not been notified of the referral declination for several months after it had been allegedly declined, and I told her no comment.

She said that she understood that I was in a difficult position, and but that she needed all the help she could get. I thanked her for understanding the difficultly of my position, advised her that I understood that she was only trying to do her job as a professional, but that I could not professionally or ethically make any comment about the investigation. She offered her phone numbers, which I did not write down. She thanked me for my time, and hung up.

My overall impression of this conversation was that she is very close to the heart of this story, and that she is almost on top of the "white paper" chronology outlining the sequence of events and communication between DOJ and RTC on C0004.

Lee Ausen was present for the entire conversation that I had with [redacted], and suggested to me shortly before the conversation ended that I terminate the call with a "time out" gesture. He and Richard Iorio both advised that if she included anything in her story regarding that fact that I'd even listened to what she had to say, it would look bad for the RTC, and recommended that in the future, I not even listen to what a reporter has to say.

I advised them both that I felt that listening to what [redacted] had to say provided valuable information, and that there was no point in being rude to the press, anymore than there was any point in being rude to Justice or the FBI. "No comment" does not have to be offensive. I further stated that I would never do anything to undermine that efforts that the RTC has made, or take any action that would question our credibility or integrity, let alone do anything to compromise the investigation on which I have spend the past two years as the lead investigator.

I concurred that in the future, I would simply send the reporters to Public Affairs. However, I am very much inclined to believe that, on the basis of my personal, and documented, knowledge of what transpired during the conversations I had with Donna Henneman of DOJ/Office of Legal Counsel/Ethics section, that [redacted] is not far from the truth: it's beginning to sound like somebody, or multiple "somebodies" are trying to carefully control the outcome of any investigation sorrunding the RTC referrals, and that the beginnings of a cover-up may have already started months ago.

27

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

cc: LA
SL
MC

JV
1-19-94

Field VPs:
W. Dudley
D. Wisnewald
R. Sammons
A. Felton
J. Lomax
J. Messee
J. Karlsen
J. Densmore
S. Koopmans
C. Cavinaw
J. Thompson
J. Hambric III

January 14, 1994

MEMORANDUM

To: Vice Presidents
Assistant Vice Presidents

From: Jack Ryan
Deputy CEO

Re: Madison Guaranty Savings and Loan Association

The RTC has received numerous requests for information on Madison Guaranty Savings and Loan Association and related matters. Interim CEO Roger Altman is committed to responding to these requests as promptly and thoroughly as possible.

K In order to assure that the RTC's response to requests on these matters is thorough, accurate, and timely, I have established a working group to coordinate the collection and distribution of all information and material responsive to the requests. The working group is comprised of James Dudine, William Collishaw, and Peter Knight. *

I am sure that I can count on the full cooperation of you and your staff with the working group. Please see that this memorandum is distributed to the appropriate staff.

Copy to:
JMC LC
GAP JW
JW RI
JN BHinton
KDaf DSwiss

801 17th Street, N.W. Washington, D.C. 20434

15935

28

o: L. Richara Iorio@INVEST-1@RTCKC
c: Dennis M. Cavinaw@Assets-fa@RTCDC
cc:
rom: James R. Dudine@Oper-inv@RTCDC
ubject: Madison Guaranty
ate: Tuesday, January 25, 1994 14:18:27 CST
ttach:
ertify: N
orwarded by: L. Richard Iorio@INVEST-1@RTCKC

---

omments by: L. Richard Iorio@INVEST-1@RTCKC
orwarded to: Lee O. Ausen@INVEST-1@RTCKC
ichael X. Caron@INVEST-1@RTCKC
. Jean Lewis@INVEST-1@RTCKC
enneth W. Foust@INVEST-1@RTCKC
ary M. Davidson@INVEST-1@RTCKC
arrell D. Denton@INVEST-1@RTCKC
omments:

YI.

------------------------ (Original Message) ------------------------

t the request of General Counsel Kulka and Deputy CEO Ryan, PLS and The ashington Office of Investigations have established a team to ascertain if ny liability claims remain viable as a result of the recent legislation xtending the statute of limitaions from two to five years. In this case the esurected statute expires at he end of February 1994.

ary Watts of my staff, assisted by Tom Murray will be visiting your office nis week and next. Please give them access to all records and workpapers, nd to knowledgeable members of your staff, including records and documents nat are covered by a Federal Grand Jury Subpoena.

ary and Tom will be working with a team of PLS attorneys headed by Sr. ounsel Mark Gabrellian and including Terry Arbit, Jim Igo, April Breslaw, arl Gamble and Suzanne Rigby. The objective is to complete the review of laims potential by next week. In addition the team will assist in compiling detailed history of events, including the criminal referral and document ontrol issues, to assist RTC management in communicating in a factual and nified way to Treasury and Justice officials, the special counsel and to ppropriate committees and members of Congress.

29

To: L. Richard Iorio@INVEST-1@RTCKC
Lee O. Ausen@INVEST-1@RTCKC
Michael X. Caron@INVEST-1@RTCKC
Cc:
Bcc:
From: L. Jean Lewis@INVEST-1@RTCKC
Subject: U.S.Atty's office/Little Rock
Date: Monday, February 7, 1994 9:41:03 CST
Attach:
Certify: Y
Forwarded by:

This is to advise you that I've had a conversation this morning with AUSA Fletcher Jackson of the U.S. Attorney's office in Little Rock. I called Mr. Jackson last week to make an inquiry regarding Independence Federal Savings in Batesville, Arkansas, out of which he had prosecuted a case regarding [redacted] Duane Kepford sent me a memo quite some time ago about another [redacted] I recalled in having done a preliminary review of Independence, that Edney was given immunity for cooperating. I called Mr. Jackson last week to verify that fact, which he in turn did verify when he called back.

Mr. Jackson called Friday afternoon, and as I was out of the office, I intended to call him back this morning. Before I had the opportunity to call him, he called me.

We discussed [redacted], and he then changed the topic by asking me if Steve Irons had told me last fall not to talk to Fletcher. I told him that I preferred not to answer the question. He then stated that he "didn't have much use for either Steve Irons or Gretchen Hall", and wanted to know what I'd been told. I advised him that Steve Irons had told me last fall that he thought it was a good idea if we (being Steve and myself) didn't talk to each other for a while about Madison. I further added that it had been suggested to me by my management here that any questions directed to me by the U.S. Attorney's office should probably come through Steve Irons or another FBI agent, and that since the FBI was my most appropriate contact, I should funnel responses to any questions through them. Mr. Jackson made a comment that he [redacted] and he was just looking for some input from me. He didn't get any.

He then added that he'd spoken to Jeff Gerrish recently, and that Gerrish was "absolutely astounded" that nothing more was ever done criminally with Madison, beyond the Castle Grande transaction. He asked if me if knew who Gerrish was; I advised him that yes, I knew Jeff Gerrish, and no, I was not aware of Mr. Gerrish's opinions regarding the prosecution of criminal actions out of Madison, and that I'd formed my own conclusions on that point, and that's where they would stay - my own. I then advised Mr. Jackson that I did not wish to discuss Madison Guaranty, and we could change the subject, or hang up. He persisted, and I explained to him that I'd developed a respect for him during the past 2 1/2 years, and that out of respect for the working relationship we've previously had, I wasn't going to talk about Madison. We then hung up after a coridal goodbye.

30

To: Thomas L. Hindes@Legal-pls@RTCDC
Cc: James R. Dudine@Oper-inv@RTCDC
L. Richard Iorio@INVEST-1@RTCKC
Glen A. Penrose@EXEC@RTCKC
April A. Breslaw@Legal-pls@RTCDC
David G. Eisenstein@Legal-pls@RTCDC
Russell F. Kaufman@Legal-Exec@RTCKC
Philip J. Adams@LEGAL-PLS@RTCKC
Bcc:
From: Julie F. Yanda@LEGAL-PLS@RTCKC
Subject: Visit from OCOS re: Madison
Date: Wednesday, January 5, 1994 15:59:30 CST
Attach:
Certify: N
Forwarded by: L. Richard Iorio@INVEST-1@RTCKC

Comments by: L. Richard Iorio@INVEST-1@RTCKC
Forwarded to: Lee O. Ausen@INVEST-1@RTCKC
L. Jean Lewis@INVEST-1@RTCKC
Michael X. Caron@INVEST-1@RTCKC
Jane M. Jankowski@OLA@RTCKC, bam
Comments:

FYI. This is way out of line. I have already contacted WDC and filed a formal complaint.

------------------------ (Original Message) ------------------------

Today at 1:30 p.m., Russ Kaufman and I received word that OCOS wanted to talk to us about the Madison Guaranty "investigation". We met with representatives of both WDC and KCO OCOS: Leonard Newmark (WDC), Michael Kohn (KCO) and a third individual whose name I cannot now remember. When Russ asked who had sent them to talk to us, Mr. Newmark replied that it had been his supervisor who had sent them and who had instructed them to be "proactive" in dealing with the issues this case would raise. Mr. Newmark indicated that they were not conducting an investigation, but rather an "inquiry".

The first question they asked was who had made the criminal referral on Madison Guaranty. Russ indicated that the referrals were made in accordance with RTC policy and committed to providing Mr. Kohn with a copy of the RTC policy. There was no further discussion of the referrals.

The second series of questions they asked dealt with what they characterized as "fitness and integrity" issues concerning the Rose Law Firm. First, they asked what investigation PLS had done into the representations the Rose Firm had made to state regulators to convince the regulators that Madison should remain open. I replied that PLS only investigates issues dealing with professional malpractice and that such inquiries would be made only in the context of conflict of interests issues involving outside counsel. I then explained that this case was not regionalized and that April had served as the PLS attorney on this case. Second, they asked who was the FDIC "conflicts contact" on this case. Third, they asked what information we had concerning the audit report the Rose Firm had used to convince regulators that Madison hould remain open and then later relied upon in a malpractice claim against rost & Co. Again, I told them that I had no information concerning these ssues.

Our discussion lasted no more than 10 minutes. Russ and I then called Richard Iorio and discussed with him the substance of our conversation with OCOS.

ROSE LAW FIRM
A PROFESSIONAL ASSOCIATION
ATTORNEYS
120 EAST FOURTH STREET
LITTLE ROCK, ARKANSAS 72201
TELEPHONE (501) 375-9131
TELECOPIER (501) 375-1309

U. M. ROSE
1834-1913

J. GASTON WILLIAMSON
PHILLIP CARROLL
W. DANE CLAY
C. JOSEPH GIROIR, JR.
GEORGE E. CAMPBELL
HERBERT C. RULE, III
STANLEY E. PRICE
H. WATT GREGORY, III
W. WILSON JONES
VINCENT FOSTER, JR.
CHARLES C. OWEN
ALLEN W. BIRD, II
WILLIAM E. BISHOP
HILLARY RODHAM CLINTON
C. BRANTLY BUCK
TIM BOE

M. JANE DICKEY
WILLIAM H. KENNEDY, III
KENNETH R. SHEMIN
RICHARD T. STEINKAMP
RONALD M. CLARK
GARLAND J. GARRETT
JERRY C. JONES
THOMAS P. THRASH
DAVID A. KNIGHT
CAROL S. ARNOLD
JACKSON FARROW, JR.
JAMES H. PENICK, III
LES R. BALEDGE
JIM HUNTER BIRCH
R. DAVID THOMAS, JR.

COUNSEL
WEBSTER L. HUBBELL

October 10, 1983

31

Mr. James B. McDougal
Chairman of the Board
Bank of Kingston
101 Public Square
Kingston, AR 72742

Dear Jim:

Pursuant to your discussion with Hillary Rodham Clinton, I am enclosing herewith a copy of our firm statement, dated December 23, 1981, covering services rendered in connection with the matter of the First National Bank of Huntsville v. Madison Bank and Trust.

Very truly yours,

Joe

C. J. Giroir, Jr.

CJGjr:sg
Encl.

ROSE LAW FIRM
A PROFESSIONAL ASSOCIATION
120 EAST FOURTH STREET
LITTLE ROCK, ARKANSAS 72201
PHONE 501 375-9131

IN ACCOUNT WITH

December 23, 1981

Mr. James B. McDougal
Chairman of the Board
Bank of Kingston
Kingston, AR 72742

Tax identification number 71-0438614

CJG/sg

FOR LEGAL SERVICES AND PROFESSIONAL ADVICE rendered by Vincent Foster, Jr., Carol Arnold and Mary Ellen Russell subsequent to our billing dated December 23, 1981 through May 15, 1982 in connection with the matter of First National Bank of Huntsville v. Madison Bank and Trust; Madison Chancery #E-81-112--------- $ 5,000.00

COSTS ADVANCED SUBSEQUENT TO OUR BILLING DATED DECEMBER 23, 1981 THROUGH JULY 31, 1982:

Long distance telephone	$ 91.17
Xerox charges	21.40
Extraordinary postage	1.56
Package delivery expenses	6.70
Supreme Court Clerk	100.00
Computer Research	92.70
Trevathan Printing Company	580.10

Total costs------------------------------- $ 893.63

TOTAL FEES AND COSTS---------------------- $ 5,893.63

15341

File copy

(32)

MEMORANDUM

February 7, 1985

TO: Governor Bill Clinton

FROM: Jim McDougal

Kathy called yesterday to ask for my recommendations for two people to fill the vacancies on the State Savings and Loan Board.

For the industry position from the 2nd Congressional District, I recommend John Latham, who is chairman of the board of Madison Guaranty Savings and Loan Association. Mr. Latham is a CPA and a licensed attorney. He is a major contributor to your campaign. His board of directors is 50% Black, giving his institution the largest minority representation of any financial institution in the state.

For the consumer position from the 4th Congressional District, I recommend Dr. Jerry Kendall of Camden. Dr. Kendall is a popular figure at Camden. His wife, Nancy from Magnolia, is widely and favorably know. Their complete support of your administration is a certainty.

Bill, we are down to only about 15 state chartered savings and loan institutions and I am about the only one around who has any interest in this board.

JRM/ss

[redacted]

33

December 12, 1984

Mr. Ron Proctor
Citizens Bank
P. O. Box 261
Flippin, Arkansas 72634

Dear Ron:

I have been unsuccessful in trying to meet with Bill and Hillary to sign the note renewal. I have forwarded to them by messenger this morning the note and an envelope with which to forward it to you.

Each month we will deposit into our account at Flippin an amount sufficient to cover the monthly payment.

Thank you very much for your patience and tolerance in this matter.

Sincerely,

James B. McDougal
WHITEWATER DEVELOPMENT CO.

JBMcD/rm

34

MEMORANDUM

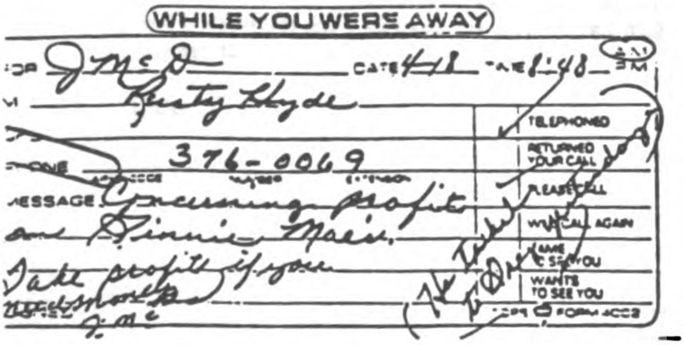
April 18, 1985

TO: John Latham

FROM: Jim McDougal

I want this preferred stock matter cleared up immediately as I need to go to Washington to sell stock.

JM/ss



WHILE YOU WERE AWAY

OR J. McD. DATE 4/18 TIME 8:48 AM PM

M Rusty Hyde

ONE 376-0069

ESSAGE Concerning profit on Ginnie Maes.

Take profit if you need money.

J. Mc

TELEPHONED
RETURNED YOUR CALL
PLEASE CALL
WILL CALL AGAIN
CAME TO SEE YOU
WANTS TO SEE YOU

MEMORANDUM

35

February 19, 1985

TO: John Latham

FROM: Jim McDougal

SUBJECT: Harvey Bell Cars

He wants us to do a leasing arrangement on his funeral cars. Please assign someone to discuss this with him. His number is 376-1600.

Proceed with your idea on the subordinated notes. We need to make a decision on Madison Bank & Trust.

I need to close on my house loan and commercial loan pronto !

JM/ss

36

January 7, 1985

MEMO

TO: John

FROM: Jim

1. See me about Steve Smith and Rolls Royce.
2. You, Greg, and I need to discuss Securities License. First South has one on by its Service Corporation.
3. Ask Greg how we get a market survey for shopping center.
4. We need to talk about how to handle first payment on the 90-day plan.

Minute
Bonus
Fair Oaks

Jim
JM/db

37

MEMO

July 11, 1985

TO: John Latham
FROM: Jim McDougal

1. This is probably a good time to take in some 5-year money cheap. Let's discuss rates.

2. I need to know everything you have pending before the Securities Commission as I intend to get with Hillary Clinton within the next few days.

JM/ss

HENRY B. GONZALEZ, TEXAS, CHAIRMAN

STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
BRUCE VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS J. RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

TELECOPY MESSAGE

DATE: 4/11

TO: Ellen Kulka

FROM:

PAGES 10 **(Including Coversheet)**

MINORITY STAFF
BANKING, FINANCE AND
URBAN AFFAIRS
607 O'NEILL BUILDING
WASHINGTON, D.C. 20515

FAX # (202) 225-6272
MAIN # (202)226-3241

HENRY B. GONZALEZ, TEXAS, CHAIRMAN

STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

April 11, 1994

Ellen B. Kulka, Esq.
General Counsel
Resolution Trust Corporation
801 17th Street, N.W., Rm. 1025
Washington, D.C. 20434

Office of the Secretary
FOIA/PA Branch
International Place
1735 North Lynn Street
Rosslyn, VA 22209

Re: Freedom of Information Act/Privacy Act Appeal

Dear Ms. Kulka:

Pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. §552, and C.F.R. §1615.7, please consider this letter to be an appeal from the denial by the Resolution Trust Corporation ("RTC") of my request for documents that are in the possession of the RTC and related to Madison Guaranty Savings and Loan and it subsidiaries. The nature of the documents requested and the reasons, I believe denial is in error are set out in the correspondence attached hereto.

Given the extensive correspondence that has already occurred on these issues, I respectfully request that I be advised of the disposition of my appeal no later than noon on Wednesday, April 13, 1994.

Sincerely,

James A. Leach
Ranking Member

Attachments
cc: Mr. Roger Altman
Interim Chief Executive Officer
Resolution Trust Corporation

HENRY B. GONZALEZ, TEXAS, CHAIRMAN
STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
[illegible]
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

ONE HUNDRED THIRD CONGRESS

2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
[illegible]
[illegible]
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

[illegible]

December 9, 1993

The Honorable Roger C. Altman
Interim Chief Executive Officer
Resolution Trust Corporation
15th and Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Mr. Altman:

I am writing in reference to the House Banking Committee Minority investigation of the failure of Madison Guaranty Savings and Loan (Madison). As you know, Madison was taken over by federal regulators in March of 1989 and resolved by the Resolution Trust Corporation (RTC) in November, 1990.

To assist in this investigation, I request that the RTC provide access to all documents related to Madison and its subsidiaries. Such documents would include, but not be limited to, administrative files, examination reports, interoffice memorandum, notes and minutes of meetings (including telephonic meetings), correspondence, electronic mail, and agreements the RTC entered into with private sector contractors during the resolution of Madison. In addition to documents in possession at RTC-Washington, I request access to all documents related to Madison held at RTC field offices. Furthermore, please provide the names and titles of all RTC employees involved with the disposition of Madison.

Please have your staff contact Mike McGarry at 202-225-2258 to discuss arrangements to review the aforementioned documents as soon as possible.

I appreciate your assistance and look forward to your cooperation.

Sincerely,

James A. Leach

James A. Leach
Ranking Member

HENRY B. GONZALEZ, TEXAS, CHAIRMAN
STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LaFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LaROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

ONE HUNDRED THIRD CONGRESS

2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

February 3, 1994

Mr. Roger C. Altman
Interim CEO
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear Mr. Altman:

I am in receipt of your February 1, 1994 response to the letter initiated by Senate Republican leadership concerning Madison Savings and Loan and I am pleased to learn that the RTC "will vigorously pursue all appropriate remedies" with regard to Madison's failure. It seems self-apparent that in order for the RTC to pursue vigorously all remedies it must have all relevant information at its disposal. Accordingly, I urge the RTC to seek and review all Whitewater Development Corporation documents turned over by the White House to the Justice Department.

In its investigation of Madison, the Minority has uncovered links between Madison and Whitewater, some of which may have contributed to the thrift's failure. Not only did James and Susan McDougal hold significant ownership interest in both entities (approximately two thirds in Madison and one half in Whitewater), but the other joint owners of Whitewater (Bill and Hillary Clinton) appear to have benefited directly and indirectly from the application of Madison resources. [See the attached memo.]

If the White House chooses to use the Justice Department to shield Whitewater documents not only from the public and Congress, but from other government agencies, such as the RTC, which have legitimate public law enforcement responsibilities, it is hard to believe a responsible resolution of the issues involved can be made by regulatory authorities.

I have high regard for your personal integrity, but as you know, from the beginning, it has been an awkward situation to have a presidentially appointed and confirmed officer of the Treasury Department also head an independent federal agency, the Resolution Trust Corporation (RTC). When this prospect was first suggested at the beginning of the Clinton Administration, it did

not strike the Minority as overly unreasonable for a month or two given the fact that no RTC head had been selected.

However, it has been over a year since the Administration has been in office and it can only be described as structurally unseemly for a political appointee of an Executive branch department to make what are in effect, law enforcement decisions for an independent federal agency as they may touch upon the President.

Accordingly, I would urge that you request from the Department of Treasury's General Counsel and Ethics Office advice as to whether you, as interim CEO of the RTC, are obligated to recuse yourself from any decisions concerning the resolution of Madison Guaranty. Just as the special counsel law was designed to relieve the Attorney General from an ethical dilemma of being both chief law enforcement officer for the nation and chief legal adviser to the President in circumstances when the President or a high level Administration officer is the subject of investigation, so it would appear ethically questionable for a political appointee of the Department of Treasury to make decisions for an independent federal agency when the President may be implicated in enforcement and civil actions.

In this regard, it should be clear that the issue is not whether a presidentially appointed official can oversee an investigation involving the President. Rather the issue is that officials with this responsibility should be confirmed for the job with that particular accountability. As you will recall it was a political appointee confirmed by the Senate that issued a cease and desist order for engaging in conflicts of interest against the son of a former President.

As you know, despite your strong letter to the Chairman of the House Banking Committee recommending against extension, Congress last year extended the statute of limitations for civil lawsuits brought against S&L wrongdoers. As you pointed out in your most recent letter, this extension "has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution." Given, however, the impending running of the statute of limitations for certain kinds of actions, time is clearly of the essence for the RTC to make judgments about civil accountability in the failure of Madison.

Finally, I would like to reiterate my request, pursuant to Rules X and XI of the House Rules for all documents related to Madison Guaranty Savings and Loan, Little Rock, Arkansas. As you know,

Mr. Roger C. Altman
Page 3
February 3, 1994

on December 9, 1993, I wrote the RTC requesting access to all documents related to Madison Guaranty and its subsidiaries.

House and Committee Rules, House practices, and judicial precedent support the proposition that the Ranking Minority Member is the functional counterpart to the Chairman for Committee action. This being the case, a request for documents made by the Ranking Minority Member has parallel standing with a request made by the Chairman of the Committee. The Ranking Minority Member clearly has a voice in the process and is entitled to information that will enable the Ranking Minority Member to carry out his constitutionally mandated oversight responsibilities.

Therefore, the courtesy of a definitive reply to this document request is requested by 12 noon, Monday, February 7, 1994. On this matter, it is urged that you also consult with the Ethics Office as to the relevance of the previously discussed recusal issue.

Again, let me stress that to the degree a conflict situation may exist in this matter in no way reflects on your personal integrity. It is simply an awkward circumstance in contrast to a personal embarrassment.

Sincerely,

JAMES A. LEACH
Ranking Member

JAL:gp

Enclosure

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

March 8, 1994

John E. Ryan
Deputy Chief Executive Officer
Resolution Trust Corporation
801 - 17th Street, N.W.
Washington, D.C. 20434

Dear Mr. Ryan:

I am writing in reference to the House Banking Committee's statutorily mandated, semi-annual RTC Oversight Hearings which are scheduled for the end of March. As you know, a major area of oversight at these hearings will be the failure and resolution of Madison Guaranty Savings and Loan, Little Rock, Arkansas. Madison was taken over by federal regulators in March of 1989 and resolved by the Resolution Trust Corporation (RTC) in November, 1990.

As ranking Member of the House Banking Committee, I request that the RTC provide the Committee with access to all documents related to madison and its subsidiaries. Members of the Committee will need access to this material to prepare for the upcoming hearings and to perform their ongoing oversight responsibilities. (As I am sure you are aware, documents provided to the Ranking Member are available to the Committee as a whole under the Committee rules.) The documents requested would include, but not be limited to, administrative files, examination reports, interoffice memorandum, notes and minutes of meetings (including telephonic meetings), correspondence, electronic mail, and agreements the RTC entered into with private sector contractors during the resolution of Madison. In addition to documents in possession at RTC-Washington, I request access to all documents related to Madison held at RTC field offices. Furthermore, please provide the names and titles of all RTC employees involved with the disposition of Madison.

Please have your staff contact Joe Seidel at (202)226-3241 or Mike McGarry at (202)225-2258 to discuss arrangements to review the aforementioned documents as soon as possible. As you are aware, I have previously requested access to these documents for use in performing other

Mr. Ryan
Page Two
March 8, 1994

Committee functions. My final letter concerning that request, was forwarded yesterday, March 7, 1994. If the agency decides to comply with that request, we will, of course, consider this request satisfied as well.

I appreciate your assistance and look forward to your cooperation.

Sincerely,

James A. Leach
Ranking Member

JAL:jls

cc: Henry B. Gonzalez
Chairman
Committee on Banking Finance
and Urban Affairs
2413 Rayburn House Office Building
Washington, DC 20515

[illegible] TRUST CORPORATION
[illegible] The Crisis
[illegible] Confidence

March 11, 1994

Honorable Jim Leach
Ranking Minority Member
Committee on Banking, Finance
[illegible]
House of Representatives
Washington, D.C. 20515

Dear Mr. Leach:

I am writing in response to your letters dated March 7 and 8, 1994, reiterating your request that the RTC provide certain documents and records as part of your investigation of the failure of Madison Guaranty Savings and Loan. Your March 7th letter was in response to our earlier letter of February 7, 1994, in which we indicated that unfortunately the RTC could afford you no greater access than would be available to the general public under the Freedom of Information Act. I note that the March 8th letter requested that some of the same information previously requested be supplied to you in conjunction with the up-coming semiannual RTC Oversight Board Hearings.

Regarding your letter of March 8, 1994, I have just received the enclosed letter dated March 10, 1994, from Chairman Gonzalez indicating that the Committee is not conducting an investigative hearing. Therefore, the records request was made in your individual capacity as a member of Congress and not on behalf of the Committee.

We are unable to concur with your conclusion that an individual member of Congress has the legal right to unlimited access to any agency record, regardless of its privileged or confidential status. Consequently, we will continue to provide you with documents or portions of documents that would be available to the public. Although this may be deemed to be a final agency determination on the status of your request for access to RTC records, let me assure you that the RTC is making every effort to cooperate with you and will continue to make documents available to your staff as they have been reviewed for public disclosure. [illegible] documents were sent to your staff this week.

[illegible] D.C. 20434

[illegible]

Your letter indicated you wanted to know what further recourse you had to obtain "access to this information (under the terms of the FOIA or otherwise)." A party, who has been denied access to records pursuant to the FOIA, has the right to appeal that decision within thirty days of the initial denial to the Office of the RTC's General Counsel (12 C.F.R. § 1618.7).

We hope this information is of assistance to you.

Sincerely,

John E. Ryan
Deputy CEO

[illegible]

[illegible]

HENRY B. GONZALEZ, TEXAS, CHAIRMAN

STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

TELECOPY MESSAGE

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

DATE: 4/11

TO: Ellen Kulka

FROM:

PAGES 5 **(Including Coversheet)**

MINORITY STAFF
BANKING, FINANCE AND
URBAN AFFAIRS
607 O'NEILL BUILDING
WASHINGTON, D.C. 20515

FAX # (202) 225-5272
MAIN # (202)226-3241

additional pages to
earlier fax.

HENRY B. GONZALEZ, TEXAS, CHAIRMAN
STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

March 7, 1994

Mr. John E. Ryan
Deputy CEO
Resolution Trust Corporation
15th & Pennsylvania Avenue, N.W.
Washington, DC 20220

Dear Mr. Ryan:

As you are aware, on December 9, 1993, I requested your agency to provide the House Banking Committee with access to documents concerning Madison Guaranty Savings and Loan and its subsidiaries. I was very disappointed to receive your letter of February 7, 1994, asserting that you could only provide me with documents available to any member of the public under the Freedom of Information Act. As we have previously informed you, the D.C. Circuit has specifically held that even if disclosure is made to an individual member of Congress acting in an official capacity, an agency does not thereby waive the privileged status of its documents. See Murphy v. Department of the Army, 613 F. 2d 1151 (D.C. Cir. 1979). As you know, I have in fact requested that the information be made available to me for use by the Banking Committee as a whole. The Murphy decision leaves no doubt that disclosure for these purposes does not constitute a waiver of agency privileges. Despite my staff's offer to discuss appropriate terms regarding confidentiality for specific documents, you have nevertheless denied access to all non-public information.

The agency's position requires me to consider resort to other measures for obtaining access to this information, which is urgently needed for the performance of Committee functions. I would accordingly appreciate it if you would confirm by letter on or before March 11, that you do not intent to comply with this request for information, and that I do not have any further recourse within the agency for obtaining access to this information (under the terms of FOIA or otherwise).

Mr. Ryan
Page Two
March 7, 1994

I appreciate your assistance and hope that the agency will reconsider its position and now provide the cooperation that is required under the circumstances.

Sincerely,

James A. Leach
Ranking Member

JAL:jlsd

cc: General Counsel
Office of the Secretary
FOIA/PA Branch
International Place
1735 North Lynn Street
Rosslyn, VA 22209

The Honorable Henry B. Gonzalez
Chairman
Committee on Banking, Finance
and Urban Affairs
2413 Rayburn House Office Building
Washington, DC 20515

RESOLUTION TRUST CORPORATION
OFFICE OF GOVERNMENTAL RELATIONS
CORRESPONDENCE REFERRAL

Document: 12929 Document Date: 94/03/01 **Due Date:** 94/03/
Input Date: 94/03/03

NAME: Leach, Honorable James A.
Ranking Minority Member
Committee on Banking, Finance
ADDRESS: House of Representatives
Washington DC 20515

Copies To:
Standard Dist.
K. Kauper

Synopsis: MEETING WITH [WHITE] HOUSE OFFICIALS ON SUBJECT OF [MADISON] [GUARANTY] [ALTMAN] SHOULD [RESIGN] FROM ALL RESPONSIBLITIES AT T RTC--IS ONLY [ETHICAL] OPTION IN ORDER [important]

Action: Prepare for Mr. Altman's signature

OLA Contact: Carol O'Brien (202) 416-7314

INSTRUCTIONS

Author of the draft response and person(s) reviewing response should sign th routing sheet. Please forward draft response by DUE DATE with this complete form to OLA (Renee Kelly-Room 1062A-801 17th Street) with WordPerfect disk o E-mail (Renee Kelly@ OLA@ RTCDC). Routing sheet may be faxed to (202)416-44

* This form is necessary for review purposes *

See 12922

Assigned To:
OLA-LEG Ellen B. Kulka - Legal

Date:
94/03/03

AUTHOR: ______________________ **PHONE:** ____________

REVIEWED BY:	DATE IN	DATE OUT	REVIEWED BY:	DATE IN	DATE OUT

3440

12727

HENRY B. GONZALEZ, TEXAS, CHAIRMAN
STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

March 1, 1994

RECEIVED
MAR 1994
OFFICE OF GOVERNMENTAL RELATIONS
RTC

The Honorable Roger Altman
Interim CEO
Resolution Trust Corporation
801- 17th Street, N.W.
Washington, D.C. 20434

Dear Mr. Altman:

Enclosed is a self explanatory letter to Mr. Bernard Nussbaum et. al. As you know, in my letter of February 3 I had suggested that you recuse yourself from matters pertaining to Madison Guaranty Savings and Loan.

Now, however, based upon your meeting with White House officials on this subject, presumably after receipt of my letter, your resignation from all responsibilities at the RTC appears to be the only ethical option in order.

Sincerely,

James A. Leach
Ranking Member

Enclosure

HENRY B GONZALEZ TEXAS CHAIRMAN
STEPHEN L NEAL NORTH CAROLINA
JOHN J LAFALCE NEW YORK
BRUCE F VENTO MINNESOTA
CHARLES E SCHUMER NEW YORK
BARNEY FRANK MASSACHUSETTS
PAUL E KANJORSKI PENNSYLVANIA
JOSEPH P KENNEDY II MASSACHUSETTS
FLOYD H FLAKE NEW YORK
KWEISI MFUME MARYLAND
MAXINE WATERS CALIFORNIA
LARRY LAROCCO IDAHO
BILL ORTON UTAH
JIM BACCHUS FLORIDA
HERBERT C KLEIN NEW JERSEY
CAROLYN B MALONEY NEW YORK
PETER DEUTSCH FLORIDA
LUIS V GUTIERREZ ILLINOIS
BOBBY L RUSH ILLINOIS
LUCILLE ROYBAL-ALLARD CALIFORNIA
THOMAS M BARRETT WISCONSIN
ELIZABETH FURSE OREGON
NYDIA M VELAZQUEZ NEW YORK
ALBERT R WYNN MARYLAND
CLEO FIELDS LOUISIANA
MELVIN WATT NORTH CAROLINA
MAURICE HINCHEY NEW YORK
CALVIN M DOOLEY CALIFORNIA
RON KLINK PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A LEACH IOWA
BILL McCOLLUM FLORIDA
MARGE ROUKEMA NEW JERSEY
DOUG BEREUTER NEBRASKA
THOMAS RIDGE PENNSYLVANIA
TOBY ROTH WISCONSIN
ALFRED A McCANDLESS CAL
RICHARD H BAKER LOUISIANA
JIM NUSSLE IOWA
CRAIG THOMAS WYOMING
SAM JOHNSON TEXAS
DEBORAH PRYCE OHIO
JOHN LINDER GEORGIA
JOE KNOLLENBERG MICHIGAN
RICK LAZIO NEW YORK
ROD GRAMS MINNESOTA
SPENCER BACHUS III ALABAMA
MIKE HUFFINGTON CALIFORNIA
MICHAEL CASTLE DELAWARE
PETER KING NEW YORK

BERNARD SANDERS VERMONT

(202) 225-4247

March 1, 1994

Mr. Bernard Nussbaum
Counsel to the President
The White House
Washington, D.C. 20500

Mr. Stephen Potts
Director
Office of Government Ethics
1201 New York Avenue, N.W.
Suite 500
Washington, D.C. 20005-3917

Ms. Jean Hanson
General Counsel
Room 3000
Department of the Treasury
Washington, D.C. 20220

Mr. Art Kusinski
Chief Ethics Officer
Resolution Trust Corporation
801- 17th Street, N.W.
Washington, D.C. 20434

Dear Messrs. and Madam:

On February 3, 1994, I wrote to the Interim CEO of the Resolution Trust Corporation (RTC), Mr. Roger Altman, asking that he seek appropriate counsel as to whether he should recuse himself from matters regarding Madison Guaranty Savings and Loan. As I noted in my February 3 letter to Mr. Altman: "...it would appear ethically questionable for a political appointee of the Department of Treasury to make decisions for an independent federal agency when the President may be implicated in enforcement and civil actions."

On February 23 I received a lengthy response to my letter which ended with the following sentence: "I trust this letter fully addresses your concerns" [see attached letters]. Regrettably, the letter did not fully address the concerns expressed in my letter of February 3. Moreover, it would appear that the concerns raised in my letter were confirmed when Mr. Altman testified last week before the Senate Banking Committee that he had entered discussions with

the White House on matters affecting the President's potential personal liabilities.

While it is dubiously credible to think Mr. Altman would have gone to the White House to discuss only the statute of limitations, in that a mere memo would have sufficed, it bears noting again the irony that it was Mr. Altman who on May 4, 1993, strongly recommended by letter to the Chairman of the House Banking Committee that the statute of limitations for civil lawsuits against S&L wrongdoers not be extended.

Mr. Altman's meeting with White House staff concerning the RTC's actions in the Madison case is an ethical umbrage. Even though Mr. Altman has now decided it proper to recuse himself from the Madison case, the issue at hand is whether his conduct violated federal ethics guidelines or strictures, as promulgated by the RTC. These guidelines are listed under 12 CFR § 1605.7 and include the following:

> "No employee shall engage in any action, which might result in, or create the appearance of ...
>
> (b) giving preferential treatment to any person;...
>
> (d) losing complete independence or impartiality;
>
> (e) making an RTC decision outside official channels; or,
>
> (f) adversely affecting the public's confidence in the integrity of the RTC."

Also, 12 CFR § 1605.10 states that an RTC "employee may not, directly, or indirectly, use or allow the use of information which is obtained as a result of his or her RTC employment but which is not available to the general public in order to engage in any financial transaction or to further a private interest."

In addition, another issue appears to be an abuse of the spirit of 5 U.S.C 3348. In a technical sense, this statute allows the President to name a temporary agency head to fill a vacancy until a nominee is confirmed by the Senate. In the event a nominee is rejected by the Senate or his/her name is withdrawn, 5 U.S.C. 3348 provides that the vacancy may be filled for not more than 120-days by an individual designated by the President.

In the case of Mr. Altman's appointment as interim CEO of the RTC, we have a situation where a political appointee of the Treasury Department has served as the head of an independent agency for approximately 13 months. To some, this circumstance leaves the

impression that Mr. Altman's term of office might have been intended to coincide with the running of the statute of limitations for civil lawsuits which could affect the White House.

Now that the statute of limitations has been extended, a skeptic might wonder if further legal machinations will occur as a means of maintaining Mr. Altman's tenure as interim CEO of the RTC. After all, no nominee to head the RTC has been formally presented to the Senate since Mr. Tate withdrew his name from consideration on November 30, when he complained of gross mismanagement at the RTC.

It is my judgement that the RTC has had its independence compromised and that it is no longer sufficient for Mr. Altman to recuse himself from the Madison case. It is all too apparent that his shadow looms large at the agency and that his immediate resignation from all responsibilities at the RTC would appear to be the only ethical option at this time.

In addition, just as one party should not have requested the meeting, the other party should not have accepted it. In this regard, I hereby request a review of whether White House officials, Bernard Nussbaum, Margaret Williams, and Harold Ickes, violated any ethical guidelines. Here I would call your attention to the following White House guidelines:

3 CFR § 100.735-4 General standards of conduct.

> "(c) In all circumstances employees shall conduct themselves so as to exemplify the highest standards of integrity. An employee shall avoid any action, whether or not specifically prohibited by this subpart, which might result in, or create the appearance of:
>
> (1) Using public office for private gain;
>
> (2) Giving preferential treatment to any person;
>
> (3) Impeding Government efficiency or economy;
>
> (4) Losing complete independence or impartiality;
>
> (5) Making a Government decision outside official channels; or
>
> (6) Affecting adversely the confidence of the public in the integrity of the Government."

3 CFR § 100.735-8 Conflicts of interest.

> "(a) A conflict of interest may exist whenever an employee has a substantial or private interest in a matter which involves his duties and responsibilities as an employee. The maintenance of public confidence in Government clearly demands that an employee take no action which would constitute the use of his official position to advance his personal or private interest. It is equally important that each employee avoid becoming involved in situations which present the possibility, or even the appearance, that his official position might be used to his private advantage."

3 CFR § 100.735-21 General conduct prejudicial to the Government.

> "An employee shall not engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, or other conduct prejudicial to the Government."

With regard to the second of the above citations, it would appear self-apparent that "personal or private interest" would apply to issues of individual job security or promotion. In addition, with regard to the third, the adjective "dishonest" would presumably apply to the issuance of statements of fact that prove untrue. Here, I bring to your attention, Mr. Nussbaum's February 10, 1994 letter to Reps. Lightfoot, Wolf, and Istook. I would also ask that the possibility be probed that the meeting might have had the effect of being "prejudicial" to the government's case in attempts to recover taxpayer losses related to the failure of Madison Guaranty.

I would specifically request that the Office of Government Ethics and the Chief Ethics Officer of the White House, which I understand to be Mr. Nussbaum or his designee, formally review and provide me with a response as to whether the meeting between the three White House officials and Mr. Altman violated any guidelines of government ethics, regulations, or law. In particular, there is an implicit appearance that public officials dealt with the private matters of the President. In this regard, I would hereby request a list of any individuals who participated or attended at any point in the discussions and from each any notes or recordings of the meeting or meetings at the White House or elsewhere on this matter.

Please provide a full response to the issues raised in this letter regarding the White House as well as Mr. Altman by Monday, March 21, 1994. Thank you for your time and consideration of this matter.

Sincerely,

James A. Leach
Ranking Member

cc: Mr. Roger Altman
Interim CEO
Resolution Trust Corporation

DEPARTMENT OF THE TREASURY
WASHINGTON

GENERAL COUNSEL

February 23, 1994

The Honorable James A. Leach
Ranking Member
Committee on Banking, Finance and Urban Affairs
U.S. House of Representatives
Washington, D.C. 20515-6050

Dear Mr. Leach:

In your letter to Deputy Secretary Altman of February 3, 1994, you asked him to seek advice from "Treasury's General Counsel and Ethics Office" as to whether he is obligated to recuse himself from decisions concerning the Resolution Trust Corporation's resolution of Madison Guaranty Savings and Loan Association. He has sought such advice from me and from ethics officials of the Resolution Trust Corporation and the Treasury Department.

I understand you to express concern about the possibility that the Deputy Secretary might, as acting Chief Executive Officer of the Resolution Trust Corporation pursuant to the Vacancy Act, 5 U.S.C. 3347, participate in RTC decisions as to whether there are civil claims for RTC to pursue arising from the failure of Madison Guaranty Savings and Loan Association and the expiration of statutes of limitation applicable to any such claims. Your concern seems to stem from the fact that decisions regarding those claims "may touch upon the President" who appointed the Deputy Secretary to his Treasury position. You asked the Deputy Secretary to seek advice from Treasury's General Counsel as to whether he is "obligated to recuse (himself) from any decisions concerning the resolution of Madison Guaranty." I have advised the Deputy Secretary that neither his appointment at Treasury nor his detail to the RTC creates such an obligation.

Your letter suggests that the Deputy Secretary's participation in such decisions would be "structurally unseemly," a conclusion apparently based on the fact that he was appointed by the President and confirmed for a position in a Cabinet department and is acting in a position in an Executive agency that is not such a department. However, the authority pursuant to which the Deputy Secretary is detailed to RTC duties was amended in 1988 precisely so that any Executive agency, such as the RTC, and not just Cabinet departments, could continue to have Presidentially-appointed leadership when circumstances delay filling vacant positions. Pub.L. 100-398, §7(a)(1) and (2), Aug. 17, 1988, 102 Stat. 988.

You also suggest that a structural issue arises from RTC's "public law enforcement responsibilities;" that it would be improper for a Presidential appointee not confirmed for a position at the RTC to exercise those responsibilities. However, the RTC is not a "law enforcement" agency. Its responsibility to pursue civil claims owed to the institutions it takes over is not a "law enforcement" responsibility. In fact, RTC's claims collection responsibility is more analogous to the responsibility of the head of every Executive agency to collect claims of the United States that arise from the agency's activities or are referred to it. 31 U.S.C. 3711. The differences between the Deputy Secretary's claims collection responsibilities at Treasury and at the RTC raise no "structural" concern regarding his performance of those responsibilities at the RTC.

Even if the RTC were in some special sense a "law enforcement" agency, which it is not, absent an exception in the Vacancy Act or another statutory provision creating an exception, the Vacancy Act authorizes filling vacant positions at any "Executive agency (other than the General Accounting Office)." The language of the Act does not distinguish among agencies based on the nature of their functions. Moreover, it would be incorrect to infer the existence of such distinctions. In the one instance of an exception created by the Vacancy Act, Congress has employed language that clearly achieves that objective. The Act expressly provides that its authority to detail Presidential appointees from other agencies does not apply to vacancies in the office of the Attorney General; neither the Vacancy Act nor any other law creates such an exception for the RTC.

Finally, even if there were some basis for reading into the Vacancy Act a principle that only an official confirmed for a position in an agency with law enforcement responsibilities should be detailed to another such agency, the Deputy Secretary's position at Treasury would qualify, rather than disqualify him. Treasury has enormous criminal law enforcement responsibilities, as is amply demonstrated by the significant law enforcement jurisdictions of the Bureau of Alcohol, Tobacco and Firearms, the Customs Service, the Secret Service and the Internal Revenue Service. Each of those organizations reports through its chain of command to the Deputy Secretary of the Treasury.

You also suggested that Deputy Secretary Altman consult ethics officials. He has done so. I am informed that the RTC's Ethics Officer and Treasury's Designated Agency Ethics Official, in consultation with the Office of Government Ethics, have advised the Deputy Secretary that he is under no legal obligation to recuse himself from matters at the RTC that "may touch upon the President."

I trust this letter fully addresses your concerns.

Sincerely,

Jean E. Hanson
General Counsel

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

HENRY B. GONZALEZ, TEXAS, CHAIRMAN
STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

JAMES A. LEACH, IOWA
BILL [illegible]
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 226-4247

February 2, 1994

Mr. Roger C. Altman
Interim CEO
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear Mr. Altman:

I am in receipt of your February 1, 1994 response to the letter initiated by Senate Republican leadership concerning Madison Savings and Loan and I am pleased to learn that the RTC "will vigorously pursue all appropriate remedies" with regard to Madison's failure. It seems self-apparent that in order for the RTC to pursue vigorously all remedies it must have all relevant information at its disposal. Accordingly, I urge the RTC to seek and review all Whitewater Development Corporation documents turned over by the White House to the Justice Department.

In its investigation of Madison, the Minority has uncovered links between Madison and Whitewater, some of which may have contributed to the thrift's failure. Not only did James and Susan McDougal hold significant ownership interest in both entities (approximately two thirds in Madison and one half in Whitewater), but the other joint owners of Whitewater (Bill and Hillary Clinton) appear to have benefited directly and indirectly from the application of Madison resources. (See the attached memo.)

If the White House chooses to use the Justice Department to shield Whitewater documents not only from the public and Congress, but from other government agencies, such as the RTC, which have legitimate public law enforcement responsibilities, it is hard to believe a responsible resolution of the issues involved can be made by regulatory authorities.

I have high regard for your personal integrity, but as you know, from the beginning, it has been an awkward situation to have a presidentially appointed and confirmed officer of the Treasury Department also head an independent federal agency, the Resolution Trust Corporation (RTC). When this prospect was first suggested at the beginning of the Clinton Administration, it did

not strike the Minority as overly unreasonable for a month or two given the fact that no RTC head has been selected.

However, it has been over a year since the Administration has been in office and it can only be described as structurally unseemly for a political appointee of an Executive branch department to make what are in effect, law enforcement decisions for an independent federal agency as they may touch upon the President.

Accordingly, I would urge that you request from the Department of Treasury's General Counsel and Ethics Office advice as to whether you, as interim CEO of the RTC, are obligated to recuse yourself from any decisions concerning the resolution of Madison Guaranty. Just as the special counsel law was designed to relieve the Attorney General from an ethical dilemma of being both chief law enforcement officer for the nation and chief legal advisor to the President in circumstances when the President or a high level Administration officer is the subject of investigation, so it would appear ethically questionable for a political appointee of the Department of Treasury to make decisions for an independent federal agency when the President may be implicated in enforcement and civil actions.

In this regard, it should be clear that the issue is not whether a presidentially appointed official can oversee an investigation involving the President. Rather the issue is that officials with this responsibility should be confirmed for the job with that particular accountability. As you will recall it was a political appointee confirmed by the Senate that issued a cease and desist order for engaging in conflicts of interest against the son of a former President.

As you know, despite your strong letter to the Chairman of the House Banking Committee recommending against extension, Congress last year extended the statute of limitations for civil lawsuits brought against S&L wrongdoers. As you pointed out in your most recent letter, this extension "has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution." Given, however, the impending running of the statute of limitations for certain kinds of actions, time is clearly of the essence for the RTC to make judgments about civil accountability in the failure of Madison.

Finally, I would like to reiterate my request, pursuant to Rules X and XI of the House Rules for all documents related to Madison Guaranty Savings and Loan, Little Rock, Arkansas. As you know,

on December 9, 1993, I wrote the RTC requesting access to all documents related to Madison Guaranty and its subsidiaries.

House and Committee Rules, House practices, and judicial precedent support the proposition that the Ranking Minority Member is the functional counterpart to the Chairman for Committee action. This being the case, a request for documents made by the Ranking Minority Member has parallel standing with a request made by the Chairman of the Committee. The Ranking Minority Member clearly has a voice in the process and is entitled to information that will enable the Ranking Minority Member to carry out his constitutionally mandated oversight responsibilities.

Therefore, the courtesy of a definitive reply to this document request is requested by 12 noon, Monday, February 7, 1994. On this matter, it is urged that you also consult with the Ethics Office as to the relevance of the previously discussed recusal issue.

Again, let me stress that to the degree a conflict situation may exist in this matter in no way reflects on your personal integrity. It is simply an awkward circumstance in contrast to a personal embarrassment.

Sincerely,

JAMES A. LEACH
Ranking Member

JAL:gp

Enclosure

THE WHITE HOUSE
WASHINGTON

February 10, 1994

Dear Congressman Wolf:

Thank you for your letter of January 11, which asks whether public funds are being used to provide the President with legal assistance related to issues surrounding Whitewater Development Corporation and the former Madison Guaranty Savings and Loan.

As I am sure you realize, an investigation affecting a sitting President necessarily requires the official attention of the White House staff, including the Office of the Counsel to the President. For example, the White House has been called upon to respond to various inquiries from members of Congress. Similarly, members of the press have made inquiries to the White House. These inquiries have required responses from the White House, including legal judgments on matters affecting the office of President of the United States.

As you know, however, the President and Mrs. Clinton are represented personally by a private attorney. No public funds are being used to compensate that attorney. Furthermore, no White House staff members are acting as lawyers for the President and the First Lady where there is no official nexus.

Thank you for your interest in this matter.

Sincerely,

FEB 15 1994

Bernard W. Nussbaum
Counsel to the President

The Honorable Frank R. Wolf
Member of Congress
U.S. House of Representatives
Washington, D.C. 20515

15873

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

May 4, 1993

RECEIVED
MAY 4 1993
Committee on Banking, Finance
& Urban Affairs

Honorable Henry B. Gonzalez
Chairman
Committee on Banking, Finance
and Urban Affairs
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for this opportunity to comment on the issue of extending the limitations period applicable to tort claims brought by the Resolution Trust Corporation in its capacity as conservator or receiver of a failed insured depository institution.

As you know, over a year ago the RTC generally supported legislative efforts to extend this limitations period because its Professional Liability Section (PLS) was facing a peak number of institutions which were closed in 1989 and for which the federal limitations period would be expiring during 1992 and the first quarter of 1993. The limitations period expired during this time for 410 of the 752 thrifts under RTC control for PLS purposes. The RTC, however, survived this critical period of time without missing a deadline. In fact, as of March 31, 1993, the RTC had 720 pending offensive lawsuits involving RTC claims filed in 174 institutions. As of the same date, 120 settlement agreements have been executed, and 11 cases went to final judgment through trial.

In addition, beginning last autumn, the RTC has been increasing PLS staff to meet the demands of its workload. The Secretary of the Treasury, in his capacity as Chairman of the Thrift Depositor Protection Oversight Board, has further committed to review and recommend improvements in the organization and staffing of PLS as part of his nine-point plan for the RTC, recently announced during his semi-annual testimony before Congress. Consequently, the RTC has no need at this time either to revisit "closed" claims arising in institutions in which the limitations period has expired or to extend the limitations period prospectively as the RTC will continue to meet all upcoming deadlines.

Please let me know if you need any further information.

Sincerely,

Roger C. Altman
Interim CEO

RT-12873
cc: Mr. Ryan
Standard Distribution
Mr. Adair
Ms. O'Brien
Ms. Carter

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 23, 1994

Honorable Alfonse M. D'Amato
Ranking Minority Member
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Senator D'Amato:

Interim CEO Roger C. Altman has asked me to respond to your letter dated February 18, 1993, requesting copies of records pertaining to Madison Guaranty Savings and Loan. As you may know from our discussions with your staff, the Resolution Trust Corporation is concerned that disclosure of different categories of information covered by your blanket request could harm the RTC's future position with respect to possible civil litigation; jeopardize the work of independent Counsel Robert Fiske's criminal investigation; result in the release of personal or corporate financial information in violation of Federal law; or, constitute a waiver of one or more privileges to which the agency is entitled.

I have instructed RTC personnel to work with your staff to provide you with all the documents that we can provide within the operating strictures posed by your request. Despite the RTC's desire to cooperate with you, a review of relevant statutes and case law has left the RTC with no other option than to take the position that a Ranking Minority Member of the Senate Committee on Banking, Housing, and Urban Affairs has the authority of an individual Member of Congress and therefore may only obtain information that would be otherwise available to the public pursuant to the Freedom of Information Act. Therefore, the RTC believes that disclosing privileged information to you could raise questions of waiver and could detrimentally affect any further legal actions that may be contemplated regarding Madison.

Today, your staff received over 6,500 pages of documents which are listed in an enclosure to this letter. The RTC has already provided your staff with extensive inventories of Madison-related documents. Since there are over 300,000 pages of Madison-related documents, it would be helpful to have your staff narrow your request to specific documents or classes of documents. At that point, RTC personnel will discuss with your staff how we may be able to meet your request.

801 17th Street, N.W. Washington, D.C. 20434

The RTC will continue to work with your staff to make available to you as many records as possible within the limitations discussed above.

Sincerely,

John Ryan

John E. Ryan
Deputy CEO

Enclosure

RESOLUTION TRUST CORPORATION
OFFICE OF GOVERNMENTAL RELATIONS
CORRESPONDENCE REFERRAL

Document: 12873 Document Date: 94/02/18 **Due Date: 94/03/09**
Input Date: 94/02/23

NAME: D'Amato, Honorable Alfonse
Ranking Republican
Committee on Banking, Housing, and
ADDRESS: Urban Affair, U.S. Senate
Washington DC 20510

Copies To:
Standard Dist.

Synopsis: REQUEST COPIES OF ALL [DOCUMENTS] RE: [MADISON] GUARANTY INCLUDING THE NAMES OF ALL [EMPLOYEES] INVOLVED IN THE MADISON INVESTIGATION AND REVIEW.

Action: Prepare for Indicated Signature

OLA Contact: Linda Washington (202) 416-7575

INSTRUCTIONS

Author of the draft response and person(s) reviewing response should sign this routing sheet. Please forward draft response by DUE DATE with this completed form to OLA (Renee Kelly-Room 1062A-801 17th Street) with WordPerfect disk or by mail (Renee Kelly@ OLA@ RTCDC). Routing sheet may be faxed to (202)416-4413.

* This form is necessary for review purposes *

Assigned To:
OLA Peter Knight-Governmental Relati

Date:
94/02/23

AUTHOR: Casey Carter

PHONE:

REVIEWED BY:	DATE IN	DATE OUT	REVIEWED BY:	DATE IN	DATE OUT
	2/23				
CW	2/23				
Ellen Kulka	approved				
	2/23				

17873

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN

PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON

ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 18, 1994

Mr. Roger Altman
President and
Interim Chief Executive Officer
Resolution Trust Corporation
801 17th Street, N.W.
Washington, D.C. 20434

RECEIVED
FEB 23 1994
OFFICE OF GOVERNMENTAL RELATIONS
RTC

Dear Mr. Altman:

Please provide to my staff copies of all the documents pertaining to Madison Guaranty Savings and Loan ("Madison"), including all subsidiaries of Madison, that are currently in the possession, or subject to the control, of the Resolution Trust Corporation ("RTC"). In addition, please forward the names and titles of all RTC employees that are involved in any review or investigation of the Madison Guaranty matter. Should the RTC refuse to release any documents, please provide, in writing, a summary index of documents that the RTC refuses to provide as well as an explanation of the grounds alleged for that refusal.

Please forward this information to Douglas Nappi, at the Senate Committee on Banking, Housing and Urban Affairs, 534 Dirksen, Washington, DC 20510. Mr. Nappi can be reached at 202-224-1577.

Thank you in advance for your assistance.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
United States Senator

AD:dn

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN

PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON

ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 18, 1994

Mr. Roger Altman
President and
Interim Chief Executive Officer
Resolution Trust Corporation
801 17th Street, N.W.
Washington, D.C. 20434

Dear Mr. Altman:

Please provide to my staff copies of all the documents pertaining to Madison Guaranty Savings and Loan ("Madison"), including all subsidiaries of Madison, that are currently in the possession, or subject to the control, of the Resolution Trust Corporation ("RTC"). In addition, please forward the names and titles of all RTC employees that are involved in any review or investigation of the Madison Guaranty matter. Should the RTC refuse to release any documents, please provide, in writing, a summary index of documents that the RTC refuses to provide as well as an explanation of the grounds alleged for that refusal.

Please forward this information to Douglas Nappi, at the Senate Committee on Banking, Housing and Urban Affairs, 534 Dirksen, Washington, DC 20510. Mr. Nappi can be reached at 202-224-1577.

Thank you in advance for your assistance.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
United States Senator

AD:dn

Documents Released to Sen. D'Amato *(as of 02/23/9*

DOCUMENT *(title/description/date)*
"RTC RESOLUTION REQUEST FOR FUNDING ANTICIPATED THRIFT CLOSING" form submitted to RTC Funding office three days prior to scheduled closing of Madison [11/27/90]
Letter [9/18/90] from J. Paul Ramey, Associate Director, RTC to Mr. William Taylor, Staff Director, Federal Reserve re: insolvency of Madison Guaranty, requests Board of Governors to approve applications
Letter [10/22/90] from Fred Selby, RTC Resolution Specialist at Madison Guaranty to Mr. Tony Samson, RTC, D.C. Resolution states attached is bid package.
"CASE LOAD INPUT FORM" submitted by the Field Resolution Branch
Madison Guaranty Bid Analysis forms and information used by Resolutions
Letter [11/30/90] from AFS Financial Group, Bob Fegtly, President to Fred Selby, RTC Resolution Specialist regarding a bid on Madison Guaranty made by Central Bank & Trust
Letter [11/21/90] from AFS Financial Group, Randy Dennis, Principal to Fred Selby, RTC Resolution Specialist withdrawing bids on Arkansas institutions, including Madison Guaranty
"REFERENCE SHEET" lists the potential bidders at the bid meeting
"DOCUMENTATION CHECKLIST" regarding resolution of Madison Guaranty
"LIQUIDATION SUMMARY STATEMENT AND DISTRIBUTION OF LOSS" on Madison [8/31/90]
"BID RESULTS" memo regarding Madison from Fred Selby (RTCKC) to Robert Fish (RTCKC) [11/20/90]
"CASE RESOLUTION - SUMMARY BID INFORMATION" prepared by Tony Samson (RTCDC) on Madison [12/03/90]
"FAILING THRIFT CASE" form with information pertaining to the failure of Madison
Letter [12/03/90] from Robert Fish (RTC KC) Resolutions to prospective bidders stating the winning bids
"PRESS RELEASE ON RTC TRANSFER OF INSURED DEPOSITS OF MADISON" (PR-218-90) [05/18/90]
"SETTLEMENT AGREEMENT AND RELEASE" b/n RTC and FROST & Co., North River Insurance Co. and Crum & Forster Managers Corp. [04/08/91]
"CASE RESOLUTION - SUMMARY BID INFORMATION" on Madison [11/30/90]
"SETTLEMENT AGREEMENT AND RELEASE" -- RTC settlement on Madison [04/08/91]
"AUTHORIZATION TO ACT FOR OTS for Madison Guaranty S&L -- 2 documents: (1) Appointment of Receiver; and, (2) 11/30/90 Contract of Sale [11/30/90]
"FIRST AMENDED COMPLAINT" v. Frost & Co. [unsure, marked "received 03/14/91]
"NOTICE OF REMOVAL" v. Frost & Co. [03/30/89]

DOCUMENT *(title/description/date)*
"ORIGINAL COMPLAINT" v. Frost & Co. [02/28/??, marked "received 11/18/93]
"SETTLEMENT AGREEMENT AND RELEASE" of Seth Ward v. RTC for Madison [04/30/93]
"PURCHASE AND ASSUMPTION AGREEMENT BETWEEN RTC (Madison) AND BALD KNOB FSLA", with Indemnity Agreement [11/30/90]
"PURCHASE AND ASSUMPTION AGREEMENT BETWEEN RTC (Madison) AND CENTRAL BANK & TRUST", with Indemnity Agreement [11/30/90]
"PRESS RELEASE ON SALE OF MADISON" (PR-603-90) [12/05/90]
"PROPOSED FORM OF RESOLUTION" memo regarding Madison Guaranty from Robert H. Fish (RTCKC) to J. Paul Ramey (RTCDC) [10/30/90]
"BID RESULTS AND RECOMMENDATIONS" memo regarding Madison from Robert H. Fish (RTCKC) to J. Paul Ramey (RTCDC) [11/21/90]
"SUMMARY/BID INFORMATION SHEET - ANTICIPATED THRIFT FAILURE" regarding Madison; contains memo to Seidman, Bovenzi, et al. from J. Paul Ramey (RTCDC) [11/16/90]
"ASSET VALUATION REVIEW" memo regarding Madison to William H. Roelle (RTCDC) from David H. Nielsen (RTCKC) [11/09/90]
"REOMS REPORT FOR INST #7236" listing of all real estate owned properties attributed to Madison [12/29/93]
"CONTRACT INFORMATION" from inception to date for Madison [12/27/93]
"INSTITUTIONAL CASE LISTING" for Madison [12/21/93]
"SUMMARY OF CONTRACTING ACTIVITY" for Madison; status of all contracts; contract information; list of firms providing services to the RTC relative to Madison [12/27/93]
"ADJUSTMENTS TO STATEMENT OF CONDITION" lists beginning balances, adjustments (debits/credits), and adjusted balances for Madison assets and liability & equity capital [??/??/??]
"PRO FORMA STATEMENT - ASSUMING INST." lists asset and liabilities & equity capital amounts for Madison [??/??/??]
"PRO FORMA STATEMENT - RTC" lists asset and liabilities & equity capital amounts for Madison [12/05/90]
"INSTITUTION G/L RECONCILIATION WORKSHEET" [12/05/90]
"PRO FORMA ADJUSTMENT LISTING" [12/05/90]
"PRO FORMA ADJUSTMENT REGISTER" [12/05/90]
"PRO FORMA INS. - P&L ADJUSTMENT REGISTER" [12/05/90]

DOCUMENT *(title/description/date)*
"CONFIRMED WIRE WORKSHEET SUMMARY" for Little Rock and Bald Knob Agents; breakdown of liabilities assumed, assets purchased, premiums, etc. [11/30/90]
"FINAL WIRE AND CONFIRMATION SUMMARY" breakdown between confirmed balances, Little Rock agent, Bald Knob agent, and RTC/FDIC. [??/??/??]
"LOAN PRICE ADJUSTMENT CALCULATION" for Central Bank and Citizens Bank [11/30/90]
"DACS ADJUSTMENTS TO STATEMENT OF CONDITION" lists asset and liabilities & equity amounts [12/05/90]
"DACS PROFORMA STATEMENT - RTC" lists asset and liabilities & equity capital amounts for Madison [12/05/90]
"DACS RECONCILIATION WORKSHEET" [12/05/90]
"DACS ADJUSTMENT LISTING" [12/05/90]
"DACS ADJUSTMENT REGISTER" 12/05/90]
"DACS INST P&L ADJUSTMENT REGISTER" [12/05/90]
"INQUIRY FROM REP. RAY THORNTON" to Roger C. Altman RTCDC regarding Laurence B. DeGroat, with attached constituent letter [12/06/93, 11/23/93]
"INQUIRY FROM SEN. DAVID PRYOR" to Bowen Hinton RTCKC, with attached constituent letter [12/08/93, 11/23/93]
"LETTER TO ROGER C. ALTMAN" [10/14/93]
"LETTER TO SEN. DAVID PRYOR" from J. Paul Ramey RTCKC [08/29/93]
"INQUIRY FROM SEN. WILLIAM S. COHEN" to Roger Altman RTCDC [11/03/93]
"INQUIRY FROM SEN. WILLIAM S. COHEN" RTC summary with incoming and outgoing letters [11/16/93]
"INQUIRY FROM SEN. GEORGE J. MITCHELL" with fax cover sheet, and response from Dennis Cavinaw RTCKC [11/03/93]
"INQUIRY FROM SEN. DAVID PRYOR" to Randall McFarlane RTCDC, with response from Dennis Cavinaw RTCKC [05/13/93, 07/24/93]
"INQUIRY FROM SEN. DAVID PRYOR" to Bowen Hinton RTCKC, with enclosure from constituent and response to Sen. Pryor from Michael Martinelli RTCKC [04/11/91, 03/05/91, 04/30/91]
"INQUIRY FROM SEN. DALE BUMPERS" to Regional Director RTCKC, with enclosure from constituent and RTC response to Sen. Bumpers from John Lomax RTCKC [11/12/91, 11/11/91, 12/13/91]
"INQUIRY FROM SENS. DAVID PRYOR AND DALE BUMPERS" to Virginia Kingsley Lewis RTC TULSA, with constituent enclosure and RTC response from J. Paul Ramey RTCKC [06/06/91, 08/29/91]

DOCUMENT *(title/description/date)*
"FAX COVER SHEET INQUIRY FROM SEN. DALE BUMPERS" to Bowen Hinton RTCKC, with constituent enclosure and RTC response from Margaret Penrose (for Michael Martinelli) [04/17/91, 04/16/91, 04/25/91]
"INQUIRY FROM SEN. CHRISTOPHER DODD" to Randall McFarlane, with constituent enclosures and RTC response from Dennis Cavinaw RTCKC [04/07/92, 05/27/92]
"INQUIRY FROM SEN. DALE BUMPERS" to Michael Martinelli RTCKC, with constituent enclosure and RTC response from Michael Martinelli RTCKC [03/08/91, 03/05/91, 04/30/91]
"LETTER TO SEN. DAVID PRYOR" from Randall H. McFarlane RTCDC [04/08/91]
"INQUIRY FROM SEN. DALE BUMPERS" to Michael Martinelli RTCKC, with RTC response from Michael Martinelli RTCKC [03/28/91, 04/16/91]
"MADISON GUARANTY BOARD MINUTES" from 1982 through 1986 [03/05/82 - 12/30/86]
"MADISON GUARANTY BID PACKAGE AND INSTRUCTIONS" [??/??/??]
"PROCEDURES FOR AGENCY RECORDS DETERMINATION" from Philip Lindenmuth RTCDC [08/31/92]
"MASTER INVENTORY OF MADISON GUARANTY ASSETS" [09/29/92]
"INVENTORY OF MADISON GUARANTY INSTITUTION RECORDS" for paid off/REO loans [??/??/??]
"INVENTORY OF MADISON GUARANTY SUBSIDIARY RECORDS" [??/??/??]
"INVENTORY OF MADISON GUARANTY INSTITUTION AND RTC ACCOUNTING RECORDS" [??/??/??]
"INVENTORY OF MADISON GUARANTY INSTITUTION MICROFICHE" [10/07/93]
"INVENTORY OF MADISON GUARANTY GENERAL FILES" [??/??/??]
"INVENTORY OF RTC DEPARTMENTAL RECORDS ON MADISON GUARANTY" [??/??/??]
"PROFESSIONAL SERVICES AGREEMENT B/N MADISON GUARANTY AND CONESTOGA-ROVERS & ASSOCIATES, LTD." [02/10/92]
"PROFESSIONAL SERVICES AGREEMENT B/N MADISON GUARANTY AND GOSLINE & COMPANY" [06/29/93]
"CONTRACT FOR CAMPOBELLO ESTATES B/N RTC AND MORGAN BAYSIDE RE INC." [03/30/93]
"THRIFT RESOLUTION ASSISTANCE AGREEMENT B/N RTC AND ARTHUR ANDERSON & COMPANY" [11/21/90]
"MORTGAGE B/N JOHN & MARGARET LATHAM & MADISON GUARANTY" [08/23/85] 1312 S. MAIN, LITTLE ROCK

DOCUMENT *(title/description/date)*
"MORTGAGE B/N JOHN & MARGARET LATHAM & MADISON GUARANTY" [3/29/85] 1821 BROADWAY, LITTLE ROCK
"SECOND MORTGAGE B/N JOHN LATHAM & MADISON GUARANTY" [2/8/88] 23 MELDIA, LITTLE ROCK
"SECOND MORTGAGE B/N JOHN LATHAM & MADISON GUARANTY" [2/8/88] 23 MELDIA, LITTLE ROCK
"ANSWER TO PLAINTIFF ORIGINAL COMPLAINT, RTC AS RECEIVER FOR MADISON GUARANTY VS JOHN AND M.MARGARET LATHAM" FILED [1/15/91]
"ORDER ON SUMMARY JUDGMENT, RTC AS RECEIVER FOR MADISON GUARANTY VS JOHN AND M.MARGARET LATHAM" FILED [11/12/91]
"DISCHARGE OF DEBTOR IN US BANKRUPTCY COURT" RTC C/O HARRY A. LIGHT, ESQ. IN RE JOHN LATHAM (AKA LATHAM ASSOCIATES) [6/23/24/92]
"MOTION FOR ORDER OF ABANDONMENT IN RE: JOHN M. AND MARY MARGARET LATHAM" FILED [6/25/92]
"MOTION FOR ORDER OF ABANDONMENT, US BANKRUPTCY COURT (CHAPTER 7)" [8/23/85]
"NOTICE OF COMMENCEMENT OF CASE UNDER CHAPTER 7 OF THE BANKRUPTCY CODE, MEETING OF CREDITORS, FIXING OF DATES..." MS. MEREDITH CATLETT IN RE JOHN M. LATHAM (AKA LATHAM & ASSOCIATES AND MARY MARGARET LATHAM" FILED 3/13/92
"AMENDED ANSWER TO PLAINTIFF ORIGINAL COMPLAINT" RTC AS RECEIVER FOR MADISON GUARANTY VS. JOHN AND MARGARET LATHAM, US DISTRICT COURT, FILED [11/14/91]
"ORDER", RTC AS RECEIVER FOR MADISON GUARANTY V. JOHN AND MARGARET LATHAM FILED [11/12/91]
"BRIEF IN SUPPORT OF RESPONSE TO MOTION FOR SUMMARY JUDGMENT", RTC AS RECEIVER FOR MADISON GUARANTY V. JOHN AND MARGARET LATHAM FILED [9/25/91]
"MOTION FOR LEAVE TO FILE AMENDED ANSWER AND COUNTERCLAIM" , RTC V. LATHAM [9/25/91]
"PLAINTIFF'S BRIEF IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT", RTC V. LATHAM [9/16/91]
"MOTION FOR SUMMARY JUDGMENT" RTC V. LATHAM [9/16/91]
"AFFIDAVIT OF TONY R. SHELTON" RTC V. LATHAM [8/30/91]
"ANSWERS TO INTERROGATORIES AND RESPONSES TO REQUESTS FOR PRODUCTION OF DOCUMENTS" [4/1/91]
"PROOF OF CLAIM, JOHN LATHAM IN RE: MADISON GUARANTY" [3/5/91]

DOCUMENT *(title/description/date)*
"ANSWER TO PLAINTIFF ORIGINAL COMPLAINT" RTC AS RECEIVER FOR MADISON GUARANTY V. JOHN AND MARGARET LATHAM FILED [1/15/91]
"INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS" [12/18/90]
"SUMMONS: FEDERAL HOME LOAN MORTGAGE V JOHN M. LATHAM, ET AL" STATE OF ARKANSAS TO MADISON GUARANTY MAILED [3/15/93]
"PLAINTIFF ORIGINAL COMPLAINT", RTC AS RECEIVER FOR MADISON GUARANTY V. JOHN AND MARY MARGARET LATHAM FILED [12/31/90]
"JAMES BERT MCDOUGAL BANKRUPTCY CLAIM" [1/29/92]
"JAMES BERT MCDOUGAL BANKRUPTCY - PROOF OF CLAIM" [1/21/92]
"JAMES BERT MCDOUGAL BANKRUPTCY NOTICE OF COMMENCEMENT OF CLAIM" [10/7/91]
"FORECLOSURE DECREE" MADISON GUARANTY V. JAMES B. MCDOUGAL AND SUSAN H. MCDOUGAL FILED [1/15/88]
"FORECLOSURE DECREE" MADISON GUARANTY V. JAMES B. MCDOUGAL AND SUSAN H. MCDOUGAL FILED [1/15/88]
"COMMISSIONER'S DEED" AND "ACKNOWLEDGEMENT" [3/4/88] (2 COPIES)
"THE JIMBO COMPANY: RECORDED MORTGAGE/LOAN MODIFICATION AGREEMENT BY MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION" FILED & RECORDED [4/6/89]
"JIMBO COMPANY MORTGAGE WITH POWER OF SALE" [3/10/89]
"MORTGAGE OF JIM GUY TUCKER AND BETTY TUCKER" [12/3/85]
"MORTGAGE OF JIM GUY TUCKER AND BETTY TUCKER LOAN MODIFICATION AGREEMENT" [3/7/86]
"PEACOCK BROTHERS: MORTGAGE FORECLOSURE" "PETITION FOR FORECLOSURE AND LIS-PENDENS" FILED BY TURNER & MAINARD ON BEHALF OF BANK OF OZARKS" "LETTER TO RTC AS RECEIVER" [6/27/91]"
"PEACOCK BROTHERS: MORTGAGE FORECLOSURE SUMMONS" [6/27/91]
"BANK OF OZARKS VS. PEACOCK BROS., INC. PETITION FOR FORECLOSURE" [6/21/91]
"BANK OF OZARKS VS. PEACOCK BROS., INC. DECREE OF FORECLOSURE" [10/23/91 FILED 10/30/91]
"BANK OF OZARKS VS. PEACOCK BROS., INC. NOTICE OF SALE" FILED [10/31/91]
"BANK OF OZARKS VS. PEACOCK BROS., INC. PETITION FOR FORECLOSURE AND SUPPORTING DOCUMENTS" [6/21/91]"
"PROMISSORY NOTE B/N PEACOCK BROS., INC. AND BANK OF OZARK [12/19/83]

DOCUMENT *(title/description/date)*
"MORTGAGE WITH POWER OF SALE B/N PEACOCK BROS., INC. AND BANK OF OZARK [12/19/83]
"SECURITY AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK [12/19/83] FILED FOR RECORD [1/5/94]
"PROMISSORY NOTE B/N PEACOCK BROS., INC. AND BANK OF OZARK RENEWAL" [2/13/85 TO BE EFFECTIVE AS OF 12/29/84]
"DISCLOSURE STATEMENT OF LOAN RENEWED B/N PEACOCK BROS., INC. AND BANK OF OZARK" [12/26/85]
"REAL ESTATE MORTGAGE EXTENSION AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK" [2/13/85] FILED [2/14/85]
"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR PEACOCK BROS., INC. [2/13/85]
"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR BANK OF OZARK" [2/13/85]
"PROMISSORY NOTE - 2ND RENEWAL NOTE B/N PEACOCK BROS., INC. AND BANK OF OZARK" [1/30/86 TO BE EFFECTIVE AS OF 12/29/85]
"REAL ESTATE MORTGAGE EXTENSION AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK" [2/3/86]
"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR PEACOCK BROS., INC. [1/31/86]
"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR BANK OF OZARK" [1/31/86]
"PROMISSORY NOTE - 3RD RENEWAL NOTE B/N PEACOCK BROS., INC. AND BANK OF OZARK" [2/20/87 TO BE EFFECTIVE AS OF 1/15/87]
"REAL ESTATE MORTGAGE EXTENSION AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK" [3/4/87]
"CORPORATION ACKNOWLEDGEMENT BY THE STATE OF ARKANSAS FOR PEACOCK BROS., INC. [2/20/87]
"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR BANK OF OZARK" [2/20/87]
"PROMISSORY NOTE - 4TH RENEWAL NOTE B/N PEACOCK BROS., INC. AND BANK OF OZARK" [1/25/88 TO BE EFFECTIVE AS OF 1/15/88]
"REAL ESTATE MORTGAGE EXTENSION AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK" [3/2/88]

DOCUMENT *(title/description/date)*
"CORPORATION ACKNOWLEDGEMENT BY THE STATE OF ARKANSAS FOR PEACOCK BROS., INC. [1/25/88]
"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR BANK OF OZARK" [1/25/88]
"PROMISSORY NOTE - 5TH RENEWAL NOTE B/N PEACOCK BROS., INC. AND BANK OF OZARK" [2/16/89 TO BE EFFECTIVE AS OF 1/15/89]
"REAL ESTATE MORTGAGE EXTENSION AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK" [3/22/89]
"CORPORATION ACKNOWLEDGEMENT BY THE STATE OF ARKANSAS FOR PEACOCK BROS., INC. [1/25/89]
"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR BANK OF OZARK" [3/16/89]
"FINANCIAL STATEMENT FILING" [1/5/89]
"FINANCIAL STATEMENT FILING" [1/9/89]
"MORTGAGE WITH POWER OF SALE B/N PEACOCK BROS., INC. AND BANK OF OZARK", "ACKNOWLEDGMENT AND CERTIFICATE OF RECORD" [6/6/84]
"MORTGAGE RENEWAL AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK" [1/17/90]
"LETTER FROM TURNER & MAINARD FOR BANK OF OZARK TO PEACOCK BROS., INC. RE:DEFAULT AND MORTGAGE FORECLOSURE PROCEDURES" [5/1/91]
"LETTER FROM TURNER & MAINARD FOR BANK OF OZARK TO PEACOCK BROS., INC. RE:DEFAULT AND MORTGAGE FORECLOSURE PROCEDURES" [5/1/91]
"REDEMPTION DEED BY COMMISSIONER OF STATE LANDS" & "CERTIFICATE OF RECORD" [2/14/91] FILED [2/19/91]
"REDEMPTION DEED BY COMMISSIONER OF STATE LANDS" & "CERTIFICATE OF RECORD" [2/14/91] FILED [2/19/91]
"DEMAND NOTE B/N CHA-RA-KE CORPORATION AND MARY PEACOCK" [12/18/87]
"DEED OF TRUST B/N CHA-RA-KE, INC. AND MARY PEACOCK" AND "ACKNOWLEDGEMENT" [12/19/87] FILED FOR RECORD [6/26/90]
"CORPORATION WARRANTY DEED B/N CHA-RA-KE, INC. AND PEACOCK BROS., INC." AND "ACKNOWLEDGEMENT" [6/5/84], FILED FOR RECORD [6/6/84]
"ANSWER TO PETITION FOR FORECLOSURE BY RTC AS RECEIVER FOR MADISON GUARANTY RE: BANK OF OZARK VS. PEACOCK BROS., INC." [7/17/91]

DOCUMENT *(title/description/date)*
"SUMMONS BY BANK OF OZARK V. PEACOCK BROS., INC; CHARLES J. (IV) & TERRI PEACOCK; RALPH J. PEACOCK; CHARLES J. (III) & JUDY PEACOCK; KENNETH RAY & DENISE PEACOCK; MARY PEACOCK & SPOUSE; MADISON GUARANTY; R.M. WEAVER; CHA-RA-KE, INC. AND CITIZENS BANK OF BALD KNOB, ARK." [7/1/91]
"LIS-PENDENS, BANK OF OZARK V. PEACOCK BROS., ET AL" [6/27/91]
"CERTIFICATION OF DOCUMENT AUTHENTICITY BY FEDERAL HOME LOAN BANK BOARD" [2/28/89]
"FEDERAL HOME LOAN BANK BOARD APPOINTMENT OF CONSERVATOR FOR MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION" "ORDER - OFFICE OF THRIFT SUPERVISION" [2/28/89]
"NEWSPAPER ARTICLE: 'TUCKER ATTEMPTS TO SHAKE S&L ENTANGLEMENT.' ARKANSAS TIMES" [2/18/91]
"NEWSPAPER ARTICLE: 'RTC IN A HURRY TO SELL STATE THRIFTS' ARKANSAS GAZETTE" [ ]
"NEWSPAPER ARTICLE: 'HEAD OF FAILING S&L HELPED CLINTON PAY A $50,000 PERSONAL DEBT IN 1985,' THE NEW YORK TIMES NATIONAL" [12/15/93]
"MORTGAGE BETWEEN MADISON FINANCIAL CORPORATION AND MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION FOR LAKE FAIRCREST ESTATES - CAMPOBELLO ISLAND" [8/29/86]
"MORTGAGE BETWEEN MADISON FINANCIAL CORPORATION AND MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION FOR TIMBERLINE ESTATES, GREENTREE FARMS AND FAIR OAKS SUBDIVISION, QUACHITA COUNTY, ARKANSAS" [4/29/91]
"MORTGAGE BETWEEN MADISON FINANCIAL CORPORATION AND MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION FOR LOTS IN EDEN PARK, WHITE COUNTY, ARKANSAS" [4/20/88]
"MORTGAGE BETWEEN MADISON FINANCIAL CORPORATION AND MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION FOR PROPERTIES IN SALINE COUNTY, ARK" [4/20/88]
"MORTGAGE BETWEEN MADISON FINANCIAL CORPORATION AND MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION FOR PROPERTIES IN WHITE COUNTY, ARKANSAS" [4/20/88]
"FINANCING STATEMENT OF MADISON FINANCIAL CORPORATION FOR MADISON GUARANTY SAVINGS & LOAN ASSOCIATION" [5/9/88]
"OATH OF OFFICE BY JAMES H. JACKSON FOR MAPLE CREEK FARMS BOARD OF COMMISSIONERS" [6/28/90]
"OATH OF OFFICE BY LAVERNE M. GOODWIN FOR MAPLE CREEK FARMS BOARD OF COMMISSIONERS" [7/30/91]

DOCUMENT ***(title/description/date)***
"OATH OF OFFICE BY JOHN M. THOMAS, SR FOR MAPLE CREEK FARMS BOARD OF COMMISSIONERS" [7/29/91]
"OATH OF OFFICE BY BRUCE CAMPBELL FOR MAPLE CREEK FARMS BOARD OF COMMISSIONERS" [6/28/89]
"OATH OF OFFICE BY ELORA COLEMAN FOR MAPLE CREEK FARMS BOARD OF COMMISSIONERS" [11/17/87]
"OATH OF OFFICE BY JOHN W. ATKINS FOR MAPLE CREEK FARMS BOARD OF COMMISSIONERS"" [7/17/90]
"COMMISSIONER OF MAPLE CREEK FARMS PROPERTY OWNERS SEWER IMPROVEMENT DISTRICT NO. 1, BRUCE CAMPBELL, RESIGNATION AND RECOMMENDATION OF APPOINTMENT OF JAMES H. JACKSON" [6/22/90]
"COMMISSIONER OF MAPLE CREEK FARMS PROPERTY OWNERS SEWER IMPROVEMENT DISTRICT NO. 1, TOMMY TRANTHAM, RESIGNATION AND RECOMMENDATION OF APPOINTMENT OF BRUCE CAMPBELL" [6/28/89]
"COMMISSIONER OF MAPLE CREEK FARMS PROPERTY OWNERS SEWER IMPROVEMENT DISTRICT NO. 1, ELORA COLEMAN, RESIGNATION AND RECOMMENDATION OF APPOINTMENT OF JOHN W. ATKINS" [7/11/90].
"COMMISSIONER OF MAPLE CREEK FARMS PROPERTY OWNERS SEWER IMPROVEMENT DISTRICT NO. 1, JAMES JACKSON, RESIGNATION AND RECOMMENDATION OF APPOINTMENT OF LAVERNE M. GOODWIN [7/30/91].
"STATE OF ARKANSAS DEPT. OF POLLUTION CONTROL AND ECOLOGY NPDES PERMIT VIOLATIONS - LETTER TO RANDALL RANDOLPH, CASTLE WATER & SEWER CORP." [5/7/91]
"CONSENT ADMINISTRATIVE ORDER," "FINDINGS OF FACT," "ORDER AND AGREEMENT," "ESCROW AGREEMENT" BETWEEN DEPT. OF POLLUTION CONTROL & ECOLOGY AND RANDALL RANDOLPH OF CASTLE WATER & SEWER CORP. [4/8/91]
"MOTION FOR DEFAULT: MADISON FINANCIAL CORPORATION VS. ELI ESAU" FILED [10/7/91]
"CERTIFICATE OF ASSESSOR (JOHN M. KAPP)" [10/11/90]
"OATH OF ASSESSOR" [10/16/90]
"RESOLUTION CONFIRMING ASSESSMENT OF BENEFITS AND DAMAGES" [12/10/90]
"MAPLE CREEK SEWER NOTICE OF MEETING TO DISCUSS SEWER ASSESSMENT" [11/3/90]
"ORDER LEVYING TAX BY BOARD OF COMMISSIONERS OF MAPLE CREEK FARMS PROPERTY OWNERS' SEWER IMPROVEMENT DISTRICT NO. 1"
"US HUD NOTICE OF PROCEEDINGS AND OPPORTUNITY FOR HEARING IN THE MATTER OF CAM[P]OBELLO" [9/28/93]

DOCUMENT *(title/description/date)*
"SURRENDER OF LEASE BETWEEN CAMPOBELLO DEVELOPMENT LTD AND HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NEW BRUNSWICK" [5/5/93]
"FEDERAL REGISTER ARTICLE ON COASTAL BARRIER IMPROVEMENT ACT; PROPERTY AVAILABILITY; CAMPOBELLO ISLAND ESTATES, NEW BRUNSWICK, CANADA RE: RTC NOTICE" [6/29/93]
"FORM A13 DEED BETWEEN LARRY KUCA, HAROLD WENGER AND CAMPOBELLO ISLAND CLUB" AND "SCHEDULE A" [5/15/87] REGISTERED 7/13/87]
"CERTIFICATE OF FORMATION OF CAMPOBELLO PROPERTIES VENTURE BY JAMES MCDOUGAL, PRESIDENT, MADISON FINANCIAL CORPORATION" [12/5/85] FILED [7/29/87]
"STATE OF ARKANSAS SECRETARY OF STATE CANCELLATION OF LIMITED PARTNERSHIP OF CAMPOBELLO DEVELOPMENT COMPANY" [3/21/86]
"CERTIFICATE OF CANCELLATION OF LIMITED PARTNERSHIP OF CAMPOBELLO DEVELOPMENT COMPANY" [12/11/85] AND "ACKNOWLEDGEMENT"
"OATH AS PRESIDENT OF ROBERT J. HIGGINS FOR CAMPOBELLO ISLAND CLUB" [5/29/93]
"DEED UNDER STANDARD FORMS OF CONVEYANCES ACT BETWEEN MARY FREEMAN, TRUSTEE, ("GRANTOR") LANIS YARBROUGH, TRUSTEE ("GRANTEE"), AND CAMPOBELLO ISLAND CLUB, INC." [10/29/92]
"SCHEDULE A PURSUANT TO TERMS OF CAMPOBELLO PROPERTIES VENTURE TRUST AGREEMENT"
"SCHEDULE C"
"SCHEDULE D" RE: SUBDIVISION SCHEME AND INDENTURE, CAMPOBELLO ISLAND, LARRY E. KUCA AND MARY FREEMAN"
"SCHEDULE E RE: TERMS USED IN DEED OF CONVEYANCE"
"SCHEDULE D ITEM 1: MARY FREEMAN AS TRUSTEE" [10/21/92]
"SCHEDULE D ITEM 1: LANIS YARBROUGH AS TRUSTEE" [10/29/92]
"AFFIDAVIT OF MARY A. FREEMAN AS GRANTOR IN THE INDENTURE OF LANDS AND PREMISES" [10/21/92] AND NOTARY PUBLICS CERTIFICATIONS"
"DEED: STANDARD FORMS OF CONVEYANCES ACT BETWEEN MARY FREEMAN AND LANIS YARBROUGH" [10/21/92] AND "SCHEDULE A"
"AFFIDAVIT BY MARY FREEMAN AS GRANTOR NAMED IN INDENTURE OF DEED OF LANDS AND PREMISES - IN THE MATTER OF MARITAL PROPERTY ACT, STATE OF ARKANSAS RE: CAMPOBELLO" AND "SCHEDULE D" [10/21/92]
"DEED, STANDARD FORMS OF CONVEYANCE ACT" [10/21/92]

DOCUMENT *(title/description/date)*
"SCHEDULE A AS RELATED TO DEED, STANDARD FORMS OF CONVEYANCE ACT"
"SCHEDULE B: INDEX OF LANDS CONVEYED BY DEAD RIVER LIMITED OF CAMPOBELLO ISLAND PROPERTIES" [7/16/58-10/7/83]
"AFFIDAVIT IN THE MATTER OF THE MARITAL PROPERTY ACT BY MARY A. FREEMAN" [10/21/92]
"SCHEDULE D DECLARATION AS TRUSTEE FOR CAMPOBELLO PROPERTIES VENTURE WITHIN INDENTURE OF DEED, BY VIRTUE OF "CANADA EVIDENCE ACT" [10/21/92]
"DEED IN ACCORDANCE WITH STANDARD FORMS OF CONVEYANCES ACT" [10/21/92]
"SCHEDULE A: PARCELS CONVEYED UNTO THE GRANTOR BY LARRY E. KUCA, TRUSTEE"
"AFFIDAVIT IN THE MATTER OF THE MARITAL PROPERTY BY MARY FREEMAN RE: CAMPOBELLO" [10/21/92]
"SCHEDULE D BY MARY FREEMAN" [10/21/92]
"ASSIGNMENT OF INDENTURE BETWEEN MARY FREEMAN AND LANIS YARBROUGH" [6/30/93]
"SCHEDULE D BY MARY FREEMAN AS TRUSTEE FOR CAMPOBELLO AND BY VIRTUE OF 'THE CANADA EVIDENCE ACT" [10/21/92]
"CERTIFICATION BY NOTARY PUBLIC, STATE OF ARKANSAS" [10/21/92]
"CERTIFICATION BY NOTARY PUBLIC, STATE OF KANSAS" [10/29/92]
"INDENTURE BETWEEN MARY FREEMAN AND LANIS YARBROUGH" [10/21/92], "SCHEDULE D" AND "CERTIFICATION BY NOTARY PUBLIC" [10/21/92]
"INDENTURE 125657 BETWEEN MARY FREEMAN AND MADISON GUARANTY PURSUANT TO CAMPOBELLO PROPERTIES VENTURE TRUST AGREEMENT" [10/21/92], "SCHEDULE D" AND "CERTIFICATION BY NOTARY PUBLIC" [10/21/92]
"IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK, CANADA - TRIAL DIVISION - NOTICE OF ACTION WITH STATEMENT OF CLAIM ATTACHED, JOHN F. D'ARCANGELO VS. MARY FREEMAN, AS TRUSTEE FOR CAMPOBELLO PROPERTIES VENTURE" [7/31/92]
"AVIS DE CREDIT - CANADIAN COAST GUARD BASE EN RE MARY FREEMAN C/O STEWART MCELVEY STERLING SCALES TO CANCEL WATER LOT LEASE #113301, HEAD HARBOUR, CAMPOBELLO, NEW BRUNSWICK" [11/15/93]
"CANADIAN COAST GUARD LETTER RE: TERMINATION OF LEASE 113301, MARY FREEMAN HEAD HARBOUR, CAMPOBELLO, NEW BRUNSWICK" [11/2/93]
"FOOD SERVICE ESTABLISHMENT LICENSE #201934 FOR ISLAND CLUB LODGE, CAMPOBELLO ISLAND, OPERATOR LESLEY SAVAGE" [3/15/93 FOR PERIOD 4/1/93 TO 3/31/94]

DOCUMENT *(title/description/date)*
"FOOD SERVICE ESTABLISHMENT LICENSE #201707 FOR ISLAND CLUB LODGE, CAMPOBELLO ISLAND, OPERATOR LESLEY SAVAGE" [3/2/92 FOR PERIOD 4/1/92 TO 3/31/93]
"NEW BRUNSWICK DEPT. OF TOURISM, RECREATION AND HERITAGE TOURIST ESTABLISHMENT LICENSE #639 FOR CAMPOBELLO ISLAND CLUB LODGE"
"CERTIFICATE OF REGISTRATION, LIQUOR LICENSE AND ROOMS AND MEALS" [6/15/85]
"FOOD SERVICE ESTABLISHMENT LICENSE #201707 FOR ISLAND CLUB LODGE, CAMPOBELLO ISLAND, OPERATOR LESLEY SAVAGE" [3/15/93 FOR PERIOD 4/1/93 TO 3/31/94]
"FOOD SERVICE ESTABLISHMENT LICENSE #201934 FOR ISLAND CLUB LODGE, CAMPOBELLO ISLAND, OPERATOR LESLEY SAVAGE" [3/2/92 FOR PERIOD 4/1/92 TO 3/31/93]
"NEW BRUNSWICK DEPT. OF TOURISM, RECREATION AND HERITAGE TOURIST ESTABLISHMENT LICENSE #639 FOR CAMPOBELLO ISLAND CLUB LODGE"
"CERTIFICATE OF REGISTRATION, LIQUOR LICENSE AND ROOMS AND MEALS" [6/15/85]
"CAMPOBELLO COMPANY PROPERTY OWNERS ASSOCIATION DISCOUNT" [9/1/92]
"LEASE BETWEEN HER QUEEN IN RIGHT OF THE PROVINCE OF NEW BRUNSWICK, AS REPRESENTED BY THE MINISTER OF TOURISM - THE LESSOR - AND CAMPOBELLO DEVELOPMENT LTD - LESSEE" [3/25/86]
"LETTER OF TESTIMONY BY NICHOLE P. DAVIS FOR SEC'Y OF STATE, BILL McCUEN, THAT ATTACHED IS A TRUE COPY OF THE ENTIRE FILE OF CAMPOBELLO REALTY CO." [4/28/92]
"ARTICLES OF INCORPORATION OF CAMPOBELLO REALTY CO." [12/7/84]
"LETTER OF TESTIMONY BY SABRINA THREET FOR SEC'Y OF STATE, BILL McCUEN, THAT ATTACHED IS A TRUE COPY OF THE ENTIRE FILE OF MADISON FINANCIAL CORP." [2/5/92]
"ARKANSAS APPLICATION FOR REGISTRATION OF FICTITIOUS NAME MADISON FINANCIAL CORP. T/A (AKA) MADISON REAL ESTATE" [?/??/86]
"ARTICLES OF INCORPORATION OF MADISON FINANCIAL CORPORATION" [2/3/82]
"ARKANSAS APPLICATION FOR REGISTRATION OF FICTITIOUS NAME - MADISON FINANCIAL CORP. T/A (AKA) MADISON MARKETING [7/26/86]
"NOTICE OF CHANGE OF REGISTERED OFFICE AND REGISTERED AGENT" [8/22/85] FILED [9/16/85]
"ADVISEMENT BY ARKANSAS DEPT. OF FINANCE AND ADMINISTRATION THAT DELINQUENT FRANCHISE TAX HAS BEEN PAID" QUALIFIED 2/3/82 FILED [6/7/84]
"STATE OF ARKANSAS CHANGE OF REGISTERED AGENT AND REGISTERED OFFICE OF MADISON FINANCIAL CORPORATION" [9/28/92]
"ARTICLES OF INCORPORATION OF MADISON FINANCIAL CORPORATION" [2/3/82]

DOCUMENT *(title/description/date)*
"MORTGAGE BETWEEN LARRY E. KUCA AND MADISON GUARANTY" [4/30/93]
"INDENTURE BETWEEN LARRY E. KUCA AND MADISON GUARANTY" [9/5/86]
"INDENTURE BETWEEN LARRY E. KUCA AND MADISON GUARANTY" [9/5/86]
"INDENTURE BETWEEN LARRY E. KUCA AND MADISON GUARANTY" [1/16/87]
"INDENTURE BETWEEN LARRY E. KUCA AND MADISON GUARANTY" [4/6/87]
"INDENTURE BETWEEN LARRY E. KUCA AND MADISON GUARANTY. LOTS COLLATERAL OF FEROLIE, GILMORE, GARLAND, ET AL..." [8/11/88]
"INDENTURE BETWEEN LARRY E. KUCA AND MADISON GUARANTY. LOTS COLLATERAL OF DORSEY, WHEELER, RUTLEDGE, ET AL... #110102" [8/11/88]
"INDENTURE BETWEEN MARY FREEMAN AND MADISON GUARANTY" [5/25/89]
"INDENTURE BETWEEN MARY FREEMAN AND MADISON GUARANTY" [5/15/89]
"INDENTURE BETWEEN MARY FREEMAN AND MADISON GUARANTY" [10/2/90]
"FORM A15.1 COLLATERAL MORTGAGE BETWEEN BURNHAM MATTHEWS AND MARY FREEMAN" "WITH SCHEDULES A, B & C AND AFFIDAVITS" [7/12/89]
"FORM A13 DEED UNDER THE STANDARD FORMS OF CONVEYANCE ACT AMONGST THREE PARTIES: LARRY E. KUCA, HENRY P. LOMBARDELLI, CAMPOBELLO ISLAND CLUB, INC." "WITH SCHEDULES A, C, E & D, STATUTORY DECLARATION AND AFFIDAVIT BY LARRY KUCA & NOTARY PUBLIC" [4/4/86]
"CERTIFICATION BY NOTARY PUBLIC, NADEEN M. DANIELS" [5/29/86]
"OATH OF LARRY E. KUCA IN PROVINCE OF NEW BRUNSWICK ON BEHALF OF CAMPOBELLO" [7/16/86]
"FORM A15.1 COLLATERAL MORTGAGE BETWEEN HENRY P. LOMBARDELLI AND LARRY E. KUCA UNDER STANDARD FORMS OF CONVEYANCE ACT FOR $4,300.00 PLUS 12% INTEREST AS EVIDENCED BY 8/27/85 PROMISSORY NOTE, SCHEDULES A, B, C AND AFFIDAVITS" [5/29/86]
"FORM A15.1 COLLATERAL MORTGAGE BETWEEN HENRY P. LOMBARDELLI AND LARRY E. KUCA UNDER STANDARD FORMS OF CONVEYANCE ACT FOR $15,250.00 PLUS 12% INTEREST AS EVIDENCED BY 8/27/85 PROMISSORY NOTE, SCHEDULES A, B, C AND AFFIDAVITS" [5/29/86] REGISTERED BY COUNTY OF CHARLOTTE AS #103379 IN BOOK #323 [7/16/86]
"AGREEMENT OF COVENANT TO ASSUME MORTGAGE BETWEEN FREDERICK B. SHEEHY AND MADISON GUARANTY" [6/6/90]
"NOTARY PUBLIC'S AFFIDAVIT OF AUTHENTICITY OF 6/6/90 AGREEMENT" REGISTERED BY COUNTY OF CHARLOTTE, #116078, BOOK 435 [6/25/90]

DOCUMENT *(title/description/date)*
"FORM A15.1 COLLATERAL MORTGAGE UNDER STANDARD FORMS OF CONVEYANCE ACT B/N CATHERINE M. SHEEHY AND LARRY E. KUCA FOR PROMISSORY NOTE OF 6/14/86, SCHEDULES A, B. C, AFFIDAVIT AND REGISTRATION" [10/20/86]
"FORM A13 DEED FOR LARRY E. KUCA, CATHERINE SHEEHY & CAMPOBELLO ISLAND CLUB, INC., SCHEDULES A,B,C,D (RECITALS), E, AFFIDAVIT, STATUTORY DECLARATION, OATH OF LARRY KUCA, AND NOTARY PUBLIC CERTIFICATION" [10/14/86]
"FORM A15.1 COLLATERAL MORTGAGE UNDER STANDARD FORMS OF CONVEYANCE ACT B/N DONALD ROBBINS AND LARRY E. KUCA FOR PROMISSORY NOTE OF 7/26/86, SCHEDULES A, B, C, AFFIDAVIT AND REGISTRATION" [11/12/86]
"FORM A13 DEED FOR LARRY E. KUCA, DONALD ROBBINS & CAMPOBELLO ISLAND CLUB, INC., SCHEDULES A,C,D (RECITALS), E, AFFIDAVIT, STATUTORY DECLARATION, OATH OF LARRY KUCA, AND NOTARY PUBLIC CERTIFICATION" [10/14/86]
"FINANCIAL CONSERVATORS, INC. ASSET INSPECTION REPORT ON CASTLE SEWER AND WATER CO. - APPEARANCE OF PROPERTY AS A 'CLOSED BUSINESS'" AND "ENVIRONMENTAL CHECKLIST INSPECTION FORM COMPLETED BY SARAH HAWKINS" [11/5/91]
"CIERRA, INC. TECHNICAL REPORT OF ENVIRONMENTAL AUDIT PREPARED FOR RTC, TULSA, OK IN ANTICIPATION OF LITIGATION WITH LETTER AND RECOMMENDATIONS TO ED STOUT, RTC LEGAL" [8/91]
"APPRAISAL REPORT: CASTLE SEWER AND WATER CORPORATION, MADISON GUARANTY ASSET NO. 3358 PREPARED BY PYRON & ASSOCIATES FOR FINANCIAL CONSERVATORS, INC." [2/3/92]
"ADDENDUM LETTER TO APPRAISAL REPORT BY PYRON & ASSOCIATES" [2/12/92]
"LETTER OF ENGAGEMENT/AGREEMENT TO PREPARE APPRAISAL REPORT B/N PYRON & ASSOCIATES AND FINANCIAL CONSERVATORS, INC." [10/27/91] [1/4/92]
"UNIFORM APPRAISAL INSTRUCTIONS TO APPRAISER FOR RTC REAL ESTATE PROPERTIES"
"PHOTOGRAPHS OF CASTLE WATER AND SEWER CORPORATION AND SURROUNDINGS"
"PYRON AND ASSOCIATES - MICHAEL T. PYRON - PROFESSIONAL QUALIFICATIONS, LICENSING AND CERTIFICATION" [12/24/91]
"VICINITY MAP"
"EXHIBIT 'A' DESCRIPTIONS PERTAINING TO PHOTOGRAPHS AND MAPS OF TRACTS AND EASEMENTS" [2/6/86]
"PROGRESS REPORT FOR CAO RE: IMPROVEMENTS & PROGRESS SCHEDULE BY CASTLE WATER AND SEWER COMPANY [10/30/91 & 10/29/91]

DOCUMENT *(title/description/date)*
"LETTER FROM CASTLE SEWER & WATER CO. TO ARKANSAS DEPT. OF POLLUTION CONTROL & ECOLOGY RE: NPDES PERMIT #AR0040266, PROGRESS REPORT AND SCHEDULE" [10/30/91]
"LETTER FR ARKANSAS DEPT. OF POLLUTION CONTROL & ECOLOGY TO CASTLE WATER & SEWER RE: VIOLATIONS OF ARK. WATER & AIR POLLUTION ACT" [2/15/91]
"LETTER FR ARKANSAS DEPT. OF POLLUTION CONTROL & ECOLOGY TO CASTLE WATER & SEWER RE: VIOLATIONS OF ARK. WATER & AIR POLLUTION ACT" [5/7/91]
"LETTER FR ARKANSAS DEPT. OF POLLUTION CONTROL & ECOLOGY TO CASTLE WATER & SEWER RE: VIOLATIONS OF ARK. WATER & AIR POLLUTION ACT & CONDITIONS OF PERMIT NO. AR0040266" [10/1/89]
"ARKANSAS DEPT. OF HEALTH PUBLIC WATER SANITARY SURVEY OF CASTLE WATER SYSTEM" [6/1/90]
"ARKANSAS DEPT. OF HEALTH LETTER TO RANDALL RUDOLPH, SUPERINTENDENT, CASTLE SEWER & WATER CO. RE: SANITARY SURVEY INSPECTION" [6/1/90]
"DEFINITIONS FOR CHARGE CODES"
"MASTER CUSTOMER LIST OF CASTLE WATER" [1/21/92]
"CIERRA, INC. LTR. TO ED STOUT, RTC LEGAL, TULSA, OK RE: RECOMMENDATIONS OF TRANSFORMER REPLACEMENT, ADVANCED TREATMENT AND SECURITY FENCES WITH RESPECT TO CONTRACT #0731-91-0308-001" [8/19/91]
"MAPS OF LITTLE ROCK SOUTH-INDUSTRIAL PARK, INDUSTRIAL DEVELOPMENT CO."
"US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION (NO. LR-C-89-216): RTC, SUCCESSOR TO MADISON GUARANTY AND MADISON FINANCIAL, PLAINTIFF VS. FROST & CO., DEFENDANTS - MOTION TO COMPEL DISCOVERY OR, IN THE ALTERNATIVE, TO EXCLUDE TESTIMONY" [1/31/91]
"US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION (NO. LR-C-89-216): RTC, SUCCESSOR TO MADISON GUARANTY AND MADISON FINANCIAL, PLAINTIFF VS. FROST & CO., DEFENDANTS - PENDING DOCUMENTS REQUESTED BY DEFENDANTS" [ ]
"SETH WARD LITIGATION AND PROOFS OF CLAIM - PART I OF IV PARTS" TITLE PAGE
"US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION: REPLY BRIEF IN SUPPORT OF APPELLEE WARD'S MOTION TO DISMISS: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL CORP. CIVIL NO.LR-C-89-807" [2/25/91]
"RESPONSE TO MOTION TO DISMISS, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL" [2/19/91]

DOCUMENT *(title/description/date)*
"AFFIDAVIT OF DAVID M. SWISS, MANAGING ATTY FOR KANSAS CITY CONSOLIDATED OFFICE ON BEHALF OF RTC IN THE MATTER OF SETH WARD V. RTC AS CONSERVATOR..." [2/19/91]
"BRIEF IN SUPPORT OF RESPONSE TO MOTION TO DISMISS, SETH WARD VS. RTC AS CONSERVATOR" [2/19/91]
"MOTION TO DISMISS BY WARD AS ACTION WITH PREJUDICE PURSUANT TO RULE 41(b) OF FEDERAL RULES OF CIVIL PROCEDURE, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL" [2/5/91]
"RESPONSE TO MOTION TO TERMINATE ADMINISTRATIVE STAY, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL CORP." [2/5/91]
"MEMORANDUM OF LAW IN SUPPORT OF MOTION TO DISMISS, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL CORP." [2/5/91]
"MOTION TO TERMINATE ADMINISTRATIVE STAY, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL CORP." [1/25/91]
"MOTION FOR SANCTIONS AND MOTION TO STRIKE, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL CORP." [1/11/90]
"EXHIBIT A: LETTER TO THE HONORABLE JUDGE REASONER, US DISTRICT JUDGE RE: SETH WARD V. RTC AS CONSERVATOR EMERGENCY MOTION TO ENFORCE STAY OF PROCEEDINGS FROM HARRY LIGHT ON BEHALF OF RTC" [10/30/89]
"EXHIBIT B: TRANSCRIPT OF HEARING BEFORE THE HONORABLE STEPHEN M. REASONER...,SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" EUGENIE M. POWER, OFFICIAL COURT REPORTER, [11/21/89] FILED [10/31/89]
"EXHIBIT C: AFFIDAVIT OF THOMAS RAY IN RE: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/11/90]
"MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR SANCTIONS AND MOTION TO STRIKE SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/11/90]
"RESPONSE TO MOTION FOR SANCTIONS BY HARRY A. LIGHT, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/20/90]
"AFFIDAVIT OF GEORGE PIKE, JR. IN RE: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/22/90]
"EXHIBIT B: AFFIDAVIT OF DENNIS S. KLEIN IN RE: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/19/90]
"AFFIDAVIT OF HARRY A. LIGHT IN RE: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/23/90]

DOCUMENT *(title/description/date)*
"LETTER FROM DENNIS S. KLEIN, ESQ., ON BEHALF OF RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL V. SETH WARD, TO THOMAS RAY TO THOMAS RAY, ATTY FOR SETH WARD CITING VIOLATION OF ESCROW AGREEMENT AND 28 U.S.C. 14469d0, RULE 11, FEDERAL RULES OF CIVIL PROCEDURE, AND THE STAY BY JUDGE REASONER" [10/28/89]
"APPELLEE'S MOTION TO SUBSTITUTE COUNSEL, FDIC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL V. SETH WARD" [5/1/89]
"BRIEF IN SUPPORT OF RESPONSE TO MOTION FOR SANCTIONS, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL" [1/30/90]
"RESPONSE TO MOTION TO STRIKE, SETH WARD VS. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/30/90]
"APPELLEE'S REPLY TO RESPONDENT'S RESPONSE TO MOTION FOR SANCTIONS, SETH WARD VS. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [2/2/90]
"US COURT OF APPEALS: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL BRIEF FOR APPELLANT, NO. CA 89-1980EA" [11/30/89]
"US COURT OF APPEALS: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL ADDENDUM FOR APPELLANT, NO. CA 89-1980EA" [4/28/89]
"US COURT OF APPEALS: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL ORDER, NO. CA 89-1980EA" [4/28/89]
"TRANSCRIPT OF PROCEEDINGS BEFORE THE HON. STEVEN REASONER, SETH WARD VS. FDIC" [4/28/89]
"COURT REPORTER, PEGGE J. MERKEL'S CERTIFICATE FOR TRANSCRIPT OF PROCEEDINGS" [5/12/89]
"ORDER REINFORCING THE GRANTING OF THE MOTION TO REMAND; DENYING THE DEFENDANT, FDIC'S (AS CONSERVATOR FOR MADISON GUARANTY) REQUEST TO STAY REMAND IN RE: SETH WARD, PLAINTIFF, VS. FDIC, CONSERVATOR FOR MADISON GUARANTY" [5/22/89]
"US COURT OF APPEALS FOR THE EIGHTH CIRCUIT: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY ON APPEAL, NO. CA 89-1980EA: APPENDIX FOR APPELLANT (RTC...)" [3/10/89]
"US COURT OF APPEALS FOR THE EIGHTH CIRCUIT: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY ON APPEAL, NO. CA 89-1980EA: REPLY BRIEF OF APPELLANT (RTC...)" [ ]
"US DISTRICT COURT: VERIFICATION OF ADDITIONAL DOCUMENTS TO BE INCLUDED IN RECORD (BY APPELLEE WARD, VIA COUNSEL, SHULTS, RAY & KURRUS) IN RE: SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL [8/2/91]

DOCUMENT *(title/description/date)*
"ARKANSAS COURT OF APPEALS, RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL, MOTION FOR RELEASE OF RECORD FILED BY APPELLANT, RTC" [9/25/89]
"EXHIBIT A: NOTICE OF REMOVAL OF SETH WARD V. RTC AS CONSERVATOR... TO US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION FROM CIRCUIT COURT OF PULASKI COUNTY, ARK, 2ND DIV (CASE NO. 87-7580) & ARKANSAS COURT OF APPEALS (CASE NO. CA 89-1240" [9/29/89]
"EXHIBIT B: IN THE ARKANSAS COURT OF APPEALS, RTC, AS CONSERVATOR FOR MADISON GUARANTY SAVINGS AND LOAN, APPELLANT V. SETH WARD, APPELLEE: RESPONSE IN OPPOSITION TO MOTION FOR RELEASE OF RECORD" [10/3/89]
"(EXHIBIT A) IN US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS, WESTERN DIV: SETH WARD, PLAINTIFF V. FDIC, CONSERVATOR FOR MADISON GUARANTY, DEFENDANT: ORDER GRANTING THE PLAINTIFF'S MOTION TO REMAND" [4/28/89]
"(EXHIBIT B) IN US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS, WESTERN DIV: SETH WARD, PLAINTIFF V. FDIC, CONSERVATOR FOR MADISON GUARANTY, DEFENDANT: ORDER DENYING DEFENDANT'S REQUEST FOR STAY OF MOTION TO REMAND" [5/22/89]
"(EXHIBIT C) IN ARKANSAS COURT OF APPEALS, NO. CA 89-124: RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL, APPELLANT V. SETH WARD, APPELLEE: MOTION TO DISMISS APPEAL OR AFFIRM JUDGMENT BY APPELLEE" [10/3/89]
"(EXHIBIT D) IN ARKANSAS COURT OF APPEALS, NO. CA 89-124: RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL, APPELLANT V. SETH WARD, APPELLEE: RESPONSE TO MOTION TO DISMISS APPEAL OR AFFIRM JUDGMENT AND MEMORANDUM OF AUTHORITIES IN SUPPORT THEREOF - FILED BY APPELLANT, RTC...APPELLEE" [10/13/89]
"EXHIBIT A: WESTLAW FOUND DOCUMENT: "TRILAND HOLDINGS & CO., PLAINTIFF/APPELLANT V. SUNBELT SERVICE CORP., ET AL, FSLIC AS RECEIVER FOR SUNBELT SAVINGS ASSOC. OF TEXAS, DEFENDANTS/APPELLEES; TRILAND INVESTMENT GROUP, PLAINTIFF-APPELLANT V. FSLIC AS RECEIVER FOR SUNBELT SAVINGS, DEFENDANT-APPELLEE; BRAZOS PARK, INC. ET AL, PLAINTIFFS-APPELLANTS, V. FSLIC, RECEIVER OF MAINLAND SAVINGS ASSOCIATION, DEFENDANT-APPELLEE; AMISTAD CONSTRUCTION CO., PLAINTIFF-APPELLEE V. FSLIC, AS RECEIVER FOR MAINLAND SAVINGS ASSOC., DEFENDANT-APPELLEE - CONSOLIDATED APPEALS" [7/22/89]
"LAW OR CHANCERY MANDATE, RTC AS CONSERVATOR FOR MADISON GUARANTY, APPELLANT V. SETH WARD, APPELLEE, FROM PULASKI CIRCUIT COURT, SECOND DIVISION - APPELLANTS' MOTION FOR RELEASE OF RECORD DENIED; APPELLEE'S MOTION TO DISMISS APPEAL OF AFFIRM JUDGMENT IS GRANTED." [10/25/89]
"ARKANSAS COURT OF APPEALS: RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL, APPELLANT V. SETH WARD, APPELLEE: APPELLANTS' MOTION TO RELEASE RECORD DENIED; APPEAL DISMISSED" [10/25/89]

DOCUMENT *(title/description/date)*
"EXHIBIT F: PETITION FOR REHEARING AND FOR RECALL OF MANDATE OR, IN THE ALTERNATE, MOTION FOR RECONSIDERATION, RTC AS CONSERVATOR V SETH WARD IN ARKANSAS COURT OF APPEALS" [11/13/89]
"EXHIBIT G: APPELLEE'S RESPONSE IN OPPOSITION TO PETITION FOR REHEARING AND FOR RECALL OF MANDATE OR, IN THE ALTERNATIVE, MOTION FOR RECONSIDERATION, RTC AS CONSERVATOR V SETH WARD IN ARKANSAS COURT OF APPEALS" [11/17/89]
"LETTER FROM LESLIE W. STEEN, CLERK OF THE SUPREME COURT OF ARKANSAS COURT OF APPEALS, TO HARRY A. LIGHT & HOPKINS, SUTTER, HAMEL & PARK RE:CA89-124, RTC AS CONSERVATOR FOR MADISON GUARANTY ET AL V. SETH WARD" [10/29/89]
"MOTION TO SUBSTITUTE PARTY, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY ET AL V. SETH WARD" [7/8/91]
"OFFICE OF THRIFT SUPERVISION: REPLACEMENT OF A CONSERVATOR WITH A RECEIVER, MADISON GUARANTY - ISSUED UNDER DELEGATED AUTHORITY" [10/30/90]
"JUDGMENT IN FAVOR OF SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY ET AL V. SETH WARD" [7/31/91]
"TRANSCRIPT OF HEARING BEFORE THE HONORABLE STEPHEN M. REASONER, CASE NO. LR-C-89-807, SETH WARD, PLAINTIFF V. RTC, AS CONSERVATOR FOR MADISON GUARANTY ET AL" [8/11/91]
"BRIEF FOR THE RESPONDENTS IN OPPOSITION, SUPREME COURT OF THE US, SETH WARD, PETITIONER V. RTC AS RECEIVER FOR MADISON GUARANTY ET AL (NO.92-935)" [OCT. TERM 1992]
"PETITION FOR A WRIT OF CERTIORARI TO THE US COURT OF APPEALS FOR THE EIGHTH CIRCUIT, SETH WARD, PETITIONER, V. RTC AS RECEIVER FOR MADISON GUARANTY ET AL (NO.92-935)" [OCT. TERM 1992]
"STIPULATION OF DISMISSAL WITH PREJUDICE AGAINST ALL CLAIMS AND COUNTERCLAIMS AGAINST EACH OTHER AND TO THE FINAL DISMISSAL OF THE ACTION, SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY ET AL (NO.92-935)" [4/30/93]
"SETTLEMENT AGREEMENT AND RELEASE, SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY ET AL (NO.92-935)" [4/30/93]
"US COURT OF APPEALS EIGHTH CIRCUIT CALENDAR NOTICE TO COUNSEL AND JUDGES, DIVISION I,II,III" [5/93]
"REPLY TO OPPOSITION TO PLAINTIFF'S MOTION TO STAY DEFENDANTS' MOTION FOR SUMMARY JUDGMENT, ETC., SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY ET AL (CIVIL NO. LR-C-89-807)" [2/4/93]

DOCUMENT *(title/description/date)*
"OPPOSITION TO PLAINTIFF'S MOTION TO STAY CONSIDERATION OF RTC'S MOTION FOR SUMMARY JUDGMENT, ETC., SETH WARD, PLAINTIFF, V. RTC AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL" [1/22/93]
"BRIEF IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT OR, IN THE ALTERNATIVE, RENEWED MOTION FOR RELIEF FROM JUDGMENT AND MOTION FOR REINSTATEMENT OF ESCROW FUNDS" [12/15/92]
"AFFIDAVIT BY LANIS YARBROUGH EN RE SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL (IN STATE OF KANSAS, COUNTY OF JOHNSON)" [12/10/92]
"AFFIDAVIT BY CARLEEN RYAN EN RE SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL (IN STATE OF MISSOURI, COUNTY OF JACKSON)" [12/10/92]
"MADISON GUARANTY S&L ASSOC. BOARD OF DIRECTORS MTG MINUTES" [9/17/87]
"REPLY TO RESPONSE TO PETITION FOR STAY OF MANDATE, SETH WARD V. RTC, AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL IN THE US COURT OF APPEALS, EIGHTH DISTRICT, NO. CA 91-3015 EALR" [9/17/92]
"RESPONSE TO PETITION FOR STAY OF MANDATE, SETH WARD, APPELLEE, V. RTC, AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS, IN THE US COURT OF APPEALS, EIGHTH DISTRICT, NO. CA 91-3015 EALR" [9/9/92]
"PETITION FOR STAY OF MANDATE, SETH WARD, PLAINTIFF-APPELLEE, V. RTC, AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, DEFENDANTS-APPELLANTS, IN THE US COURT OF APPEALS, EIGHTH DISTRICT, NO. CA 91-3015 EALR" [9/8/92]
"VERIFIED BILL OF COSTS INCURRED BY RTC AS PER HARRY LIGHT EN RE: SETH WARD, PLAINTIFF-APPELLEE, V. RTC, AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, DEFENDANTS-APPELLANTS, IN THE US COURT OF APPEALS, EIGHTH DISTRICT, NO. CA 91-3015 EALR" [8/12/92]
"US COURT OF APPEALS, EIGHTH DISTRICT, NO. CA 91-3015 EALR, ORDER DENYING PETITION FOR REHEARING AND SUGGESTION FOR REHEARING EN BANC EN RE: SETH WARD, APPELLEE, V. RTC, AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANT" [9/3/92]
"PETITION FOR REHEARING WITH SUGGESTION FOR REHEARING EN BANC: SETH WARD, PLAINTIFF-APPELLEE, V. RTC, AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, DEFENDANTS-APPELLANTS, IN THE US COURT OF APPEALS, EIGHTH DISTRICT, NO. CA 91-3015 EALR" [8/10/92]

DOCUMENT ***(title/description/date)***
"APPEAL FROM THE US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS IN THE US COURT OF APPEALS FOR EIGHTH, REVERSE AND REMAND BY APPELLANTS EN RE: SETH WARD, APPELLEE V. RTC AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, DEFENDANTS-APPELLANTS, NO. 91-3015EA. SUBMITTED [5/12/92] FILED [7/20/92]
"SETH WARD: LITIGATION AND PROOFS OF CLAIM, PART II OF IV PARTS" (COVER PAGE)
"MEMORANDUM IN SUPPORT OF THE FSLIC'S MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, TO STAY REMAND OF THIS ACTION PENDING APPEAL, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO. LR-C-89-180" [5/??/8?]
"FEDERAL HOME LOAN BANK BOARD APPOINTMENT OF CONSERVATOR FOR MADISON GUARANTY ISSUED UNDER DESIGNATED AUTHORITY, NO. 89-483P W/ ATTACHMENT" [2/28/89]
"FEDERAL HOME LOAN BANK BOARD AUTHORIZATION TO RECEIVE PAYMENTS AND HONOR WITHDRAWALS, MADISON GUARANTY, ISSUED UNDER DELEGATED AUTHORITY, NO.89-484P" [2/28/89]
"FEDERAL HOME LOAN BANK BOARD AUTHORIZATION TO INDEMNIFY SPECIAL REPRESENTATIVES OF CONSERVATOR, MADISON GUARANTY, NO.89-485p" [2/28/89]
"FEDERAL HOME LOAN BANK BOARD APPOINTMENT OF CONSERVATOR FOR MADISON GUARANTY ISSUED UNDER DESIGNATED AUTHORITY, NO. 89-486P" [2/28/89]
"FEDERAL HOME LOAN BANK BOARD IMPLEMENTATION RESOLUTION, MADISON GUARANTY ISSUED UNDER DESIGNATED AUTHORITY, NO. 89-487p" [2/28/89]
"MANAGEMENT AGREEMENT AMONG THE FEDERAL HOME LOAN BANK BOARD, FSLIC AND FDIC" [2/7/89]
"MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, TO STAY REMAND OF THIS ACTION PENDING APPEAL, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO. LR-C-89-180" [5/12/89]
"TRANSCRIPT OF PROCEEDINGS BEFORE THE HONORABLE STEVEN REASONER, SETH WARD VS. FDIC, APPEARANCES: THOMAS RAY FOR PLAINTIFF AND GEORGE PIKE, FRIDAY, ELDRIDGE & CLARK, FOR DEFENDANT" [4/28/89]
"PLAINTIFF'S REPLY TO DEFENDANT'S RESPONSE IN OPPOSITION TO MOTION TO REMAND, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO. LR-C-89-180 (ARK COURT OF APPEALS CO. CA 89-124)" [4/19/89]
"EXHIBIT A: 'STIPULATION AND CONSENT TO ENTRY OF ORDER TO CEASE AND DESIST' IN THE MATTER OF MADISON GUARANTY, FEDERAL HOME LOAN BANK BOARD RESOLUTION NO.86-851, USA BEFORE THE FSLIC" [8/15/86]
"EXHIBIT B: FEDERAL HOME LOAN BANK RESOLUTION NO.86-851 - PROPOSED FINAL ORDER TO CEASE AND DESIST." [8/15/86]

DOCUMENT *(title/description/date)*
"EXHIBIT C: 'ORDER TO CEASE AND DESIST CEASE AND DESIST' IN THE MATTER OF MADISON GUARANTY, FEDERAL HOME LOAN BANK BOARD RESOLUTION NO.86-851, USA BEFORE THE FSLIC" [8/15/86]
"RESPONSE OF FEDERAL DEPOSIT INSURANCE CORP, CONSERVATOR FOR MADISON GUARNATY, IN OPPOSITION TO REMAND AND BRIEF IN SUPPORT, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO.LR-C-89-180" [4/14/89]
"PLAINTIFF'S MEMORANDUM OF LAW IN SUPPORT OF MOTION TO REMAND, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO.LR-C-89-180" [3/22/89]
"NOTICE OF REMOVAL, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO.LR-C-89-180" [3/10/89]
"ORDER REWARDING WARD ATTORNEY'S FEES AND COSTS AS SANCTIONS, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO.LR-C-89-180" [9/14/90]
"LETTER VIA TELECOPY TO ST.VRAIN, CLERK, US COURT OF APPEALS OF THE EIGHTH DISTRICT, FROM THOMAS RAY, SHULTS, RAY & KURRUS ON BEHALF OF SETH WARD V. FDIC ET AL RE: EXPIRATION OF TIME FOR FILING OF RESPONSE" [7/11/89]
"LTR FR GEORGE PIKE, JR., FRIDAY, ELDREDGE & CLARK, ON BEHALF OF FDIC AS CONSERVATOR, ET AL, TO LESLIE STEEN, CLERK, ARK COURT OF APPEALS, REQUESTING ACCEPTANCE OF RESPONSE OF APPELLEE AS TIMELY, AS WELL AS DENIAL OF RESPONSE ON MERITS" [7/12/89]
"LTR FR. ROBERT ST.VRAIN, CLERK, US COURT OF APPEALS FOR THE EIGHTH CIRCUIT, TO JEDDELOH, FDIC, PIKE, FRIDAY,ELDREDGE&CLARK, BATES, HOPKINS,SUTTER,HAMEL & PORK IN RE:FSLIC ORDER" [6/21/89]
"US COURT OF APPEALS, 8TH DISTRICT,NO 89-1961, IN RE FSLIC, PETITIONER: ON PETITION FOR WRIT OF MANDAMUS TO THE US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, ORDER DENYING MOTION OF PETITIONER FOR EMERGENCY STAY OF ORDER OF REMAND; PETITION FOR WRIT OF MANDAMUS STILL PENDING" SUBMITTED [6/15/89] FILEC [6/21/89]
"LTR FR GEORGE PIKE REQUESTING CLERK TO FILE NOTICE OF APPELLANT TO FILE SEPARATE APPENDIX, IN RE SETH WARD V. FDIC, ET AL" [6/26/89]
"NOTICE OF APPELLANT TO FILE SEPARATE APPENDIX, SETH WARD, APPELLEE, V FDIC, AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY S&L" [6/26/89]
"RESPONSE IN OPPOSITION TO FDIC'S EMERGENCY MOTION TO STAY ORDER OF REMAND PENDING DISPOSITION OF PETITION FOR WRIT OF MANDAMUS, IN RE: FSLIC, AS CONSERVATOR OF MADISON GUARANTY, BY FDIC, AS MANAGER FOR THE CONSERVATOR, PETITIONER, V. SETH WARD, RESPONDENT" [6/14/89]

DOCUMENT *(title/description/date)*
"EXHIBIT A: STIPULATION & CONSENT TO ENTRY OR ORDER TO CEASE AND DESIST, IN THE MATTER OF MADISON GUARANTY, FHLBB (FED HOME LOAN BANK BOARD) BEFORE FSLIC" [8/15/86]
"EXHIBIT B: ORDER TO CEASE AND DESIST, IN THE MATTER OF MADISON GUARANTY, FHLBB BEFORE FSLIC" [8/15/86]
"EXHIBIT C: ESCROW AGREEMENT B/N SETH WARD, MADISON GUARANTY, & NORTHERN BANK & TRUST" [10/4/88]
"EXHIBIT D: FIRST CLASS ENVELOPED ADDRESSED TO THOMAS RAY"
"EXHIBIT E: SETH WARD V. FDIC, CONSERVATOR, NOTICE OF REMOVAL" [3/10/89]
"EXHIBIT F: ORDER DENYING MOTION FOR STAY REMAND, IN RE: SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [5/22/89]
"EXHIBIT G: MOTION TO REMAND IN RE: SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [3/22/89]
"EXHIBIT H: PLAINTIFF'S MEMORANDUM OF LAW IN SUPPORT OF MOTION TO REMAND N RE: SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [3/22/89]
"EXHIBIT I: PLAINTIFF'S REPLY TO DEFENDANTS' RESPONSE IN OPPOSITION TO MOTION TO REMAND N RE: SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [4/19/89]
"LETTER FR GEORGE PIKE ON BEHALF OF FDIC TO CLERK, US COURT OF APPEALS, 8TH CIRCUIT RE: NO.89-1980EA, SETH WARD V FDIC ET AL, CERTIFICATE ATTACHMENT FOR FILING" [6/23/89]
"CERTIFICATE OF INTERESTED PERSONS, SETH WARD V FDIC AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY" [6/23/89]
"APPEARANCE DOCUMENT, GEORGE PIKE, JR., FOR FDIC"
"EXHIBIT F: ORDER DENYING MOTION FOR STAY REMAND, IN RE: SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [5/22/89] FILED [5/23/89]
"EXHIBIT I: PLAINTIFF'S REPLY TO DEFENDANT' RESPONSE IN OPPOSITION TO MOTION TO MOTION TO REMAND N RE: SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [4/19/89]
"DEFENDANT'S REPLY TO PLAINTIFF'S OPPOSITION TO FDIC'S MOTION TO RECONSIDER OR STAY ORDER OF REMAND, SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [5/22/89]
"BRIEF OF APPELLANTS, SETH WARD, APPELLEE V RTC, RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS IN THE US COURT OF APPEALS, 8TH CIRCUIT, NO.91-3015EA"

DOCUMENT *(title/description/date)*
"JUDGMENT ATTACHMENT (NO. LR-C-89-807) UNDER APPEAL" [7/31/91]
"APPENDIX FOR APPELLANTS SETH WARD, APPELLEE V RTC, RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS IN THE US COURT OF APPEALS, 8TH CIRCUIT, NO.91-3015EA"
"APPENDIX FOR APPELLANTS SETH WARD, APPELLEE V RTC, RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS IN THE US COURT OF APPEALS, 8TH CIRCUIT, NO.91-3015EA"
"APPENDIX TABLE OF CONTENTS"
"USDC CIVIL DOCKET, WARD V. RTC AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL" FILED [9/25/89]
"COMPLAINT OF SETH WARD VS. MADISON GUARANTY AND MADISON FINANCIAL CORPORATION" [9/2/87]
"LETTER TO SETH WARD FROM JIM MCDOUGAL RE: LAND NORTH OF 145TH STREET & UTILITY PLANTS" [9/3/85]
"SETH WARD LTR TO JAMES MCDOUGAL RE: AGREEMENT CONCERNING PROPERTY OWNED BY INDUSTRIAL DEVELOPMENT CO." [9/24/85]
"ADDENDUM TO AGREEMENT BETWEEN SETH WARD AND JAMES C. MCDOUGAL RE: LITTLE ROCK SOUTH INDUSTRIAL PARK" [9/24/85]
"IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS, SECOND DIVISION, SETH WARD V MADISON GUARANTY SAVINGS & LOAN ASSOCIATION, AND MADISON FINANCIAL CORPORATION: ANSWER TO NO.87-7580 IN DEFENSE" [9/22/87]
"SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580: COUNTERCLAIM OF DEFENDANTS V. PLAINTIFF" [6/2/88]
"EXHIBIT A TO COUNTERCLAIM, DEFENDANTS, MADISON GUARANTY, ET AL, V. PLAINTIFF, SETH WARD: CONSUMER BUSINESS LOAN DOCUMENT" [6/10/86]
"SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580: CAPTION & APPEARANCES OF COUNSEL AND WITNESSES, EXAMINATIONS AND CROSS-EXAMINATIONS" [8/30&31/88]
"PROCEEDINGS OF COUNSEL AND WITNESSES, EXAMINATIONS AND CROSS-EXAMINATIONS, SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580" [8/30&31/88]
"PROCEEDINGS OF COUNSEL AND WITNESSES, EXAMINATIONS AND CROSS-EXAMINATIONS, SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580 (PAGES 92-116)" [8/30&31/88]

DOCUMENT *(title/description/date)*
"PROCEEDINGS OF COUNSEL AND WITNESSES, EXAMINATIONS AND CROSS-EXAMINATIONS, SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580 (PAGES 117-169)" [8/30&31/88]
"PROCEEDINGS OF COUNSEL AND WITNESSES, EXAMINATIONS AND CROSS-EXAMINATIONS, SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580 (PAGES 171,177,179)" [8/30&31/88]
"PROCEEDINGS OF COUNSEL AND WITNESSES, EXAMINATIONS AND CROSS-EXAMINATIONS, SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580 (PAGES 192-201)" [8/30&31/88]
"IN THE CIRCUIT COURT OF PULASKI COUNTY, SETH WARD VS. MADISON GUARANTY & MADISON FINANCIAL: JUDGMENT" [9/6/88]
"IN THE CIRCUIT COURT OF PULASKI COUNTY, SETH WARD VS. MADISON GUARANTY & MADISON FINANCIAL: ORDER AWARDING DAMAGES AND ATTORNEYS' FEES" [9/30/88]
"IN THE CIRCUIT COURT OF PULASKI COUNTY, SETH WARD VS. MADISON GUARANTY & MADISON FINANCIAL: NOTICE OF APPEAL AND DESIGNATION OF RECORD" [10/6/88]
"US DISTRICT COURT, IN THE EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION, SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR C-89-8070: NOTICE OF REMOVAL" [9/25/89]
"SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR-C-89-8070: ORDER GRANTING REHEARING OF PREVIOUS DECISION DISMISSING DEFENDANT'S APPEAL OF THE REMAND ORDER" [10/25/89]
"SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR-C-89-8070: ORDER GRANTING DEFENDANT'S MOTION TO TERMINATE ADMINISTRATIVE STAY AND SCHEDULING OF HEARING TO DISCUSS FURTHER MATTERS" [7/3/91]
"SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR-C-89-8070: MOTION TO SUBSTITUTE PARTY" [7/8/91]
"OTS REPLACEMENT OF CONSERVATOR WITH A RECEIVER, MADISON GUARANTY, ISSUED UNDER DELEGATED AUTHORITY, RECITALS" [10/30/90]
"US DISTRICT COURT, IN THE EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION, SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR C-89-8070: ORDER GRANTING SUBSTITUTION OF RTC AS RECEIVER IN PLACE OF AS CONSERVATOR" [7/9/91]
"SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL: MOTION FOR RELIEF FROM JUDGMENT" [6/11/91]

DOCUMENT *(title/description/date)*
"US DISTRICT COURT, IN THE EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION, SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR C-89-8070: TRANSCRIPT OF HEARING BEFORE THE HONORABLE STEPHEN M. REASONER, US DISTRICT JUDGE." [7/19/91]
"SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL: NOTICE OF APPEAL" [8/30/91]
"US DISTRICT COURT, IN THE EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION, SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR C-89-8070: TRANSCRIPT OF HEARING BEFORE THE HONORABLE STEPHEN M. REASONER, US DISTRICT JUDGE." [10/30/89]
"ARKANSAS COURT OF APPEALS, RTC AS CONSERVATOR... V. SETH WARD, APPELLEE - LAW OR CHANCERY MANDATE" [10/25/89]
"PLAINTIFF'S EXHIBIT 12 (87-7580): BUSINESS INVESTMENT LOAN DOCUMENT" [10/15/85]
"DEFENDANT'S EXHIBIT: LETTER FROM SETH WARD TO JIM MCDOUGAL RE: PROPERTY COMMONLY REFERRED TO AS ALL LAND OWNED BY INDUSTRIAL DEVELOPMENT CO." [9/24/85]
"DEFENDANT'S EXHIBIT 5 (87-7580): LETTER FROM SETH WARD TO JIM MCDOUGAL MARKED 'VOID'" [9/24/85]
"PLAINTIFF'S EXHIBIT 4 (87-7580): LETTER FROM SETH WARD TO JIM MCDOUGAL RE: PROPERTY COMMONLY REFERRED TO AS ALL LAND OWNED BY INDUSTRIAL DEVELOPMENT CO. AND CERTAIN IMPROVEMENTS THEREON, AGREEMENT" [9/24/85]
"ADDENDUM TO AGREEMENT B/N SETH WARD & JAMES B. MCDOUGAL" [9/24/85]
"SETH WARD - COMMISSIONS, MADISON FINANCIAL CORP. DEFENDANT'S EXHIBIT 21" [ ]
"MADISON FINANCIAL CORP. COMMISSION ACCOUNT - DUE SETH WARD RE: SALE OF PROPERTY ACQUIRED FROM LITTLE ROCK INDUSTRIAL DEVELOPMENT CO. SIGNED JAMES B. McDOUGAL. DEFENDANT'S EXHIBIT 15" [7/10/86]
"BLANK PAGE"
"SETH WARD LOAN HISTORIES CHART, DEFENDANT'S EXHIBIT 27"
"WORKSHEET: COMMISSION ACCOUNT - DUE SETH WARD" [7/1/86]
"OPTION TO PURCHASE REAL ESTATE GRANTED BY SETH WARD AND WIFE, YVONNE ANNA WARD, TO MADISON FINANCIAL CORP." [5/1/86]
"MADISON GUARANTY S&L: NOTE MODIFICATION FOR SETH WARD" [6/6/86]
"MADISON GUARANTY S&L: NOTE MODIFICATION" [6/6/86]

DOCUMENT *(title/description/date)*
"MADISON GUARANTY S&L: NOTE MODIFICATION" [6/9/86]
"FEDERAL HOME LOAN BANK BOARD RESOLUTION NO.86-851: APPROVAL AND ISSUANCE OF PROPOSED STIPULATION AND CONSENT TO ENTRY OF ORDER TO CEASE AND DESIST" [8/15/86]
"US BEFORE FSLIC, FEDERAL HOME LOAN BANK BOARD RES. #86-851 IN THE MATTER OF MADISON GUARANTY: ORDER TO CEASE AND DESIST" [8/15/86]
"RULES AND REGULATIONS OF THE ARKANSAS S&L ASSOCIATION BOARD"
"IN US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS, WESTERN DIV.: ECONO-WAY HOMES, INC., PLAINTIFF, (CIVIL NO.LR-C-89-230) V. GLENN JANAC & RTC AS CONSERVATOR FOR MADISON GUARANTY, DEFENDANTS; CROSS-COMPLAINT BY RTC, CONSERVATOR FOR MADISON GUARANTY, COUNTER-CLAIMANT, V. GLENN JANAC & ECONO-WAY HOMES, INC., CROSS-DEFENDANT, COUNTER-DEFENDANTS; GLENN JANAC AND ECONO-WAY HOMES, INC., CROSS-COMPLAINANT V RTC, CONSERVATOR, CROSS-DEFENDANT; RTC, CONSERVATOR FOR MADISON GUARANTY, PLAINTIFF V. J&K PAVING, INC,KETCHER & CO., INC., CARTUNES, INC., & W. ELLIS ARNOLD III, DEFENDANTS: ORDER GRANTING RTC'S MOTION FOR RELIEF FROM JUDGMENT, VACATING AWARDING JANAC A $200,000 SET-OFF AGAINST THE JUDGMENT AWARDED MADISON ON ITS PROMISSORY NOTE, DENYING MOTION FOR A NEW TRIAL, AND DIRECTING RTC TO SUBMIT A PRECEDENT FOR JUDGMENT IN CONFORMITY WITH THE ORDER W/I 15 DAYS" [3/9/90]
"CHAP. 16, PG. 381 FDIC - STATUTE OF LIMITATIONS, AGREEMENT AS BASIS OF CLAIM, AGREEMENTS AGAINST INTERESTS OF CORPORATION"
"FEDERAL REGISTER, RULES AND REGULATIONS - OPERATIONS: 563.9-8, REGULATION OF DIRECT INVESTMENT INEQUITY SECURITIES, REAL ESTATE, SERVICE CORPORATIONS, AND OPERATING SUBSIDIARIES" [2/19/85]
"HARRY A. LIGHT (FRIDAY, ELDREDGE & CLARK) LTR TO CASE MGR, US COURT OF APPEALS RE: NO 91-3015 EARL; SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY ET AL: REVISED ADDENDUM ATTACHED FOR INCLUSION IN APPELLANTS' BRIEF" [11/19/91]
"REVISED ADDENDUM FOR INCLUSION IN APPELLANTS' BRIEF - PROVIDED TO COURT AND APPELLEE" [11/19/91]
"CIRCUIT COURT OF PULASKI COUNTY, 2ND DIV: JUDGMENT IN RE SETH WARD VS MADISON GUARANTY ET AL: $353,502.57 DUE PLAINTIFF, PLUS 10% INTEREST" [9/6/88]
"EXCERPTS FROM EUGENIE POWER'S TRANSCRIPTS IN WHICH COURT RECOMMENDS JUDGMENT, IN EFFECT ADOPTING THE STATE COURT JUDGMENT..."
"EXCERPTS FROM COURT TRANSCRIPTS: WITNESS, , TESTIMONY" [ ]

DOCUMENT *(title/description/date)*
"EXCERPTS FROM COURT TRANSCRIPTS: WITNESS, , TESTIMONY IN WHICH DEFENDANTS EXHIBIT 3 IS DISCUSSED, FINANCIAL CORP. TAKING AN OPTION TO PURCHASE...TO PAY COMMISSIONS TO SETH WARD: CROSS-EXAMINATION" [ ]
"EXCERPTS FROM COURT TRANSCRIPTS: WITNESS,[APPEARS TO BE FORMER ACCOUNTANT AT MADISON FINANCIAL], TESTIMONY IN WHICH WITNESS IS ASKED TO DISCUSS SALE OF PROPERTY AT I-30 AND SCOTT HAMILTON, COMMISSIONS PAID THAT SHOULD HAVE BEEN EXPENSED ON THE BOOKS OF THE CORPORATION, AND HOW BONUSES ON PROFITS WERE CALCULATED (PAID ON THE RED ROOF INN). ALSO, WITNESS IS ASKED ABOUT DEFENDANTS' EXHIBIT 40. IN CROSS-EXAMINATION, MR. YOUNG IS ASKED ABOUT FIGURES CREDITED AGAINST MR. WARD'S NOTE AND RECORDING OF NOTES AND/OR LOAN PROCEEDS..."
"EXCERPTS FROM COURT TRANSCRIPTS: WITNESS, MR. YOUNG, DISCUSSING DEFENDANTS' EXHIBIT 40, PLAINTIFFS' EXHIBITS 4 & 5, DOCUMENTS MISSING FROM FILES, CHANGING OF LOCATIONS AND "PREPARATION" FOR UPCOMING FED. HOME LOAN BANK EXAMINERS - ALLEGED COVER-UP"
"PLAINTIFF'S EXHIBIT 5: VOIDED LETTER, SETH WARD TO JIM MCDOUGAL" [9/24/85]
"PLAINTIFF'S EXHIBIT 5: LETTER, SETH WARD TO JIM MCDOUGAL" [9/24/85]
"IN THE US COURT OF APPEALS FOR THE EIGHTH CIRCUIT, NO. CA 91-3015 EALR, SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY, AND MADISON FINANCIAL CORP. BRIEF OF APPELLEE - BY THOMAS RAY, SHULTS, RAY & KURRUS [12/19/91]
"ARK. COURT OF APPEALS (NOT DESIGNATED FOR PUBLICATION), APPELLANTS' MOTION TO RELEASE RECORD DENIED, RTC AS CONSERVATOR & MADISON FINANCIAL, APPELLANTS V. SETH WARD, PER CURIAM" [10/25/89]
"IN THE US COURT OF APPEALS FOR THE EIGHTH CIRCUIT, NO. CA 91-3015 EALR, SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY, AND MADISON FINANCIAL CORP. SUPPLEMENTAL APPENDIX FOR APPELLEE - BY THOMAS RAY, SHULTS, RAY & KURRUS [ ]
"ARK. COURT OF APPEALS, APPELLANTS' RESPONSE IN OPPOSITION TO PETITION FOR REHEARING AND FOR RECALL OF MANDATE OR, IN THE ALTERNATIVE, MOTION FOR RECONSIDERATION" RTC CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS V. SETH WARD, PER CURIAM" [10/17/89]
"SETH WARD: LITIGATION AND PROOFS OF CLAIM: PART III OF IV PARTS"
"US DISTRICT COURT: MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, TO STAY, REMAND OF THIS ACTION PENDING APPEAL, SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [5/12/89]
"US DISTRICT COURT: MEMORANDUM IN SUPPORT OF THE FSLIC'S MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, TO STAY, REMAND OF THIS ACTION PENDING APPEAL, SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [5/12/89]

DOCUMENT *(title/description/date)*
"US COURT OF APPEALS: EMERGENCY MOTION TO STAY ORDER OF REMAND PENDING DISPOSITION OF PETITION FOR WRIT OF MANDAMUS IN RE: FSLIC, IN ITS CAPACITY AS CONSERVATOR OF MADISON GUARANTY, BY FDIC, AS MANAGER FOR THE CONSERVATOR, PETITIONER" [6/13/89]
"ORDER DENYING MOTION FOR STAY BY DEFENDANT, FDIC, CONSERVATOR" [5/22/89]
"ORDER GRANTING MOTION TO REMAND, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY" [4/28/89]
"US DISTRICT COURT: TRANSCRIPT OF PROCEEDINGS BEFORE HON. STEVEN REASONER, SETH WARD VS. FDIC" [4/28/89]
"LTR TO ST.VRAIN, CLERK, US COURT OF APPEALS RE: WARD V. FDIC AS CONSERVATOR, FR GEORGE PIKE REQUESTING FILING OF APPELLANTS' FORM A, PETITION FOR WRIT OF MANDAMUS, EMERGENCY MOTION TO STAY ORDER OF REMAND PENDING DISPOSITION OF PETITION FOR WRIT OF MANDAMUS" [6/13/89]
"US DISTRICT COURT: NOTICE OF APPEALS, IN RE WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [6/13/89]
"US COURT OF APPEALS - EIGHTH CIRCUIT APPELLANTS' FORM A - APPEAL INFO FORM FILED W/ NOTICE OF APPEAL; SETH WARD, APPELLEE, TOM RAY, SHULTS,RAY&KURRIS, COUNSEL V. FDIC, MGR FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY, OF COUNSEL GEORGE PIKE, FRIDAY,ELDREDGE & CLARK"
"PETITION FOR WRIT OF MANDAMU TO US DISTRICT COURT FOR EASTERN DISTRICT OF ARK WESTERN DIVISION, IN RE: FSLIC, AS CONSERVATOR OF MADISON GUARANTY, BY FDIC, AS MGR. FOR CONSERVATOR, PETITIONER" [6/13/89]
"DEFINITION OF SAVINGS & LOAN INSURANCE: JURISDICTION AND ENFORCEMENT - CODE"
"WESTLAW IN RE, SAVERS FSLIC AS CONSERVATOR: WRIT OF MANDAMUS GRANTED & DISTRICT COURT REMAND ORDER VACATED; CHANGE OF VENUE AND TRANSFER OF CAUSES; REMOVAL OF CASES; COURT OPINIONS"
"WESTLAW IN RE FIRST STATE BANK OF WAYNE COUNTY, KENTUCKY, PLAINTIFF-APPELLEE V. THE CITY AND COUNTY BANK OF KNOX COUNTY, TENNESSEE, DEFENDANT-APPELLEE, EVIDENCE, BANKS & BANKING, PRECEDENT REFERENCES, ETC. [1989]
"CAPTION AND TRANSCRIPT, SETH WARD VS. MADISON GUARANTY S&L ASSOC. & MADISON FIN. CORP." [8/30&31/88]
"PLAINTIFF'S EXHIBIT 4 (ATTACHED TO ORIGINAL TRANSCRIPT) COVER PAGE"
"PLAINTIFF'S EXHIBIT 4: LETTER OF AGREEMENT B/N WARD & JIM MCDOUGAL" [9/24/85]
"ADDENDUM TO AGREEMENT B/N SETH WARD & JAMES B. MCDOUGAL, LEGAL DESCRIPTION" [9/24/85]

DOCUMENT *(title/description/date)*
"WARRANTY DEED: INDUSTRIAL DEVELOPMENT CO. & MADISON FINANCIAL CORP. (PLAINTIFF'S EXH. 8" [10/8/85]
"EXHIBIT A: TRACTS AFFECTED"
"PLAINTIFF'S EXHIBIT 12 (EXHIBIT ATTACHED TO ORIGINAL TRANSCRIPT) COVER PAGE"
"PLAINTIFF'S EXHIBIT 12: BUSINESS INVESTMENT LOAN TO SETH WARD BY MADISON GUARANTY"
"DEFENDANT'S EXHIBIT 7 (EXHIBIT ATTACHED TO ORIGINAL TRANSCRIPT) COVER PAGE"
"DEFENDANT'S EXHIBIT 7: LETTER OF AGREEMENT B/N WARD & MCDOUGAL"
"DEFENDANT'S EXHIBIT 15: MADISON FINANCIAL CORP. DOCUMENTATION OF COMMISSION ACCT. DUE SETH WARD, AS OF JULY 1, 1986" [7/10/86]
"DEFENDANT'S EXHIBIT 31 (EXHIBIT ATTACHED TO ORIGINAL TRANSCRIPT) COVER PAGE"
"DEFENDANT'S EXHIBIT 31: MEMO FR JIM MCDOUGAL TO SETH WARD RE: INDUSTRIAL PROPERTY, SALE AND MADISON'S OPTION" [9/3/85]
"ARK COURT OF APPEALS: MADISON GUARANTY & MADISON FINANCIAL CORP. V. SETH WARD: MOTION OF APPELLANTS TO EXTEND TIME FOR FILING OF ABSTRACT AND BRIEF" [8/2/89]
"US COURT OF APPEALS NO.89-1980EA, SETH WARD V. FDIC, AS MGR FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY: MOTION TO DISMISS; SUBMITTED BY THOMAS RAY" [6/27/89]
"US COURT OF APPEALS NO.89-1980EA, SETH WARD, APPELLEE, V. FDIC, AS MGR FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY, APPELLANT: RESPONSE OF FDIC, AS MGR FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY S&L TO MOTION OF SETH WARD TO DISMISS; SUBMITTED BY GEORGE PIKE" [7/11/89]
"ARK COURT OF APPEALS: RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL V. SETH WARD, PETITION FOR REHEARING AND FOR RECALL OF MANDATE OR, IN THE ALTERNATE, MOTION FOR RECONSIDERATION" [11/13/89]
"US DISTRICT COURT FOR EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION NO. LR-C-89-807, SETH WARD, PLAINTIFF, V. RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL: EMERGENCY MOTION TO ENFORCE STAY OF PROCEEDINGS" [10/30/89]
"US DISTRICT COURT FOR EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION NO. LR-C-89-807, SETH WARD, PLAINTIFF, V. RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL: NOTICE OF REMOVAL" [9/25/89]

DOCUMENT *(title/description/date)*
"ARK COURT OF APPEALS: RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL V. SETH WARD, MOTION TO DISMISS APPEAL OF AFFIRM JUDGMENT (EXH B)" [10/3/89]
"ARK COURT OF APPEALS: RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL, APPELLANTS V. SETH WARD, APPELLEE, RESPONSE TO MOTION TO DISMISS APPEAL OF AFFIRM JUDGMENT AND MEMORANDUM OF AUTHORITIES IN SUPPORT THEREOF (EXH C)" [10/13/89]
"WESTLAW: TRILAND HOLDINGS V. SUNBELT SERVICE CORP; TRILAND INVESTMENT GROUP V. FSLIC; BRAZOS PARK, INC., ET AL V FSLIC, RECEIVER OF MAINLAND SAVINGS ASSOC.; AMISTAD CONSTRUCTION CO. V. FSLIC, AS RECEIVER FOR MAINLAND SAVINGS - PLAINTIFF-APPELLANTS V. DEFENDANTS-APPELLEES. -- CONSOLIDATED APPEALS. COURT OF APPEALS CIRCUIT JUDGE HELD (1) THAT FED. DISTRICT COURTS HAD JURISDICTION; (2)COURT OF APPEALS TO ADDRESS MOOTNESS ISSUE EVEN THOUGH ACTIONS WERE DISMISSED ON SUBJECT-MATTER JURISDICTION GROUNDS; & (3) DISTRICT COURTS'S DECISION TO POSTPONE HEARING ON FSLIC SANCTIONS MOTION DID NOT RENDER COURT'S ORDER A NONFINAL JUDGMENT FOR PURPOSES OF APPEAL. (EXHIBIT A)" [1989]
"EXHIBIT D: ARK COURT OF APPEALS: RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL, APPELLANTS V. SETH WARD, APPELLEE: APPELLANTS' MOTION TO RELEASE RECORD DENIED; APPEAL DISMISSED (NOT DESIGNATED FOR PUBLICATION) PER CURIAM" [10/25/89]
"LAW OR CHANCERY MANDATE: APPELLANTS' MOTION FOR RELEASE OF RECORD DENIED. APPELLEE'S MOTION TO DISMISS APPEAL OR AFFIRM JUDGMENT GRANTED" [10/25/89]
"EXHIBIT E: LTR. FR THOMAS RAY TO JUDGE REASONER RE: CONFIRMATION OF UNDERSTANDING OF THE STAY IN RE: SETH WARD V. RTC, AS CONSERVATOR FOR MADISON GUARANTY, & MADISON FINANCIAL, NO.LR-C-89-807" [10/27/89]
"SUPERSEDEAS ORDER: IN THE CIRCUIT COURT OF PULASKI IN RE: WARD VS. MADISON GUARANTY & MADISON FINANCIAL" [11/15/88]
"ESCROW AGREEMENT B/N SETH WARD, MADISON GUARANTY & WORTHEN BANK & TRUST CO. (ESCROW AGENT). MADISON GUARANTY AGREED TO POST SECURITY IN LIEU OF SUPERSEDEAS BOND BY DEPOSIT..." [11/9/88]
"EXHIBIT G: LTR FR DENNIS KLEIN, HOPKINS, SUTTER, HAMEL & PARK, FOR RTC AS CONSERVATOR FOR MADISON GUARANTY ET AL TO THOMAS RAY, COUNSEL FOR WARD RE: MAKE FORMAL DEMAND THAT MONEY RELEASED FROM WORTHEN BANK & TRUST BE IMMEDIATELY REDEPOSITED, AS ACTION WAS A BREACH OF ESCROW AGREEMENT" [10/28/89]
"MEMORANDUM OF LAW OF RTC, CONSERVATOR FOR MADISON GUARANTY S&L, AND MADISON FINANCIAL CORP. IN SUPPORT OF EMERGENCY MOTION TO ENFORCE STAY OF PROCEEDINGS, WARD V. RTC AS CONSERVATOR ET AL" [10/30/89]

DOCUMENT *(title/description/date)*
"ORDER GRANTING REHEARING OF ITS PREVIOUS POSITION DISMISSING DEFENDANT'S APPEAL OF REMAND ORDER; ACTION STAYED PENDING 8TH CIRCUIT'S DECISION ON REHEARING, CLERK TO ADMINISTRATIVELY TERMINATE CASE PENDING 8TH CIRCUIT OUTCOME, SUBJECT TO REOPENING ONCE DECISION HAS BEEN REACHED, ETC..., SETH WARD V. RTC, CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL" [10/26/89]
"IN US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION, NO. LR-C-89-807: RESPONSE AND BRIEF OF RTC AS CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL IN OPPOSITION TO MOTION TO REMAND, IN RE: SETH WARD V., RTC, CONSERVATOR, ET AL" [10/3/89]
"ARKANSAS COURT OF APPEALS: RESPONSE TO MOTION TO DISMISS APPEAL OR AFFIRM JUDGMENT AND MEMORANDUM OF AUTHORITIES IN SUPPORT THEREOF, RTC, AS CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL, APPELLANTS, VS. SETH WARD, APPELLEE" [10/13/89]
"WESTLAW EXHIBIT A: CONSOLIDATED APPEALS, TRILAND HOLDINGS V. SUNBELT SERVICE CORP; TRILAND INVESTMENT GROUP V. FSLIC; BRAZOS PARK, INC., ET AL V FSLIC, RECEIVER OF MAINLAND SAVINGS ASSOC.; AMISTAD CONSTRUCTION CO. V. FSLIC, AS RECEIVER FOR MAINLAND SAVINGS, ETC. AND JUDGE'S COMBINED OPINION" [1989-FIFTH CIRCUIT, TEXAS]
"LTR FR CLERK, SUPREME COURT OF ARKANSAS, COURT OF APPEALS ADVISING COUNSELS PIKE AND BATES IN RE: CA89-124, FDIC, CONSERVATOR V WARD THAT COURT ORDERED GRANTING OF APPELLANT'S MOTION TO STAY BRIEF FOR 45 DAYS AND THAT APPELLEE'S MOTION TO DISMISS APPEAL DENIED" [8/16/89]
"ARKANSAS COURT OF APPEALS: MOTION TO SUBSTITUTE PARTY, MADISON GUARANTY AND MADISON FINANCIAL V. SETH WARD" [8/14/89]
"ARKANSAS COURT OF APPEALS: APPELLEE'S RESPONSE IN OPPOSITION TO APPELLANTS' MOTION TO SUBSTITUTE PARTY, FDIC, CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL V. SETH WARD" [8/13/89]
"ARKANSAS COURT OF APPEALS: APPELLEE'S SUPPLEMENTAL RESPONSE IN OPPOSITION TO APPELLANTS' MOTION FOR EXTENSION OF TIME TO FILE ABSTRACT AND BRIEF, FDIC, CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL V. SETH WARD" [5/23/89]
"ARKANSAS COURT OF APPEALS: APPELLEE'S RESPONSE IN OPPOSITION TO APPELLANTS' MOTION FOR EXTENSION OF TIME TO FILE ABSTRACT AND BRIEF, FDIC, CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL V. SETH WARD" [5/22/89]

DOCUMENT *(title/description/date)*
"ARKANSAS COURT OF APPEALS: MEMORANDUM OF LAW IN SUPPORT OF APPELLEE'S RESPONSE IN OPPOSITION TO APPELLANTS' MOTION FOR EXTENSION OF TIME TO FILE ABSTRACT AND BRIEF, FDIC, CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL V. SETH WARD, NO.CA89-124" [5/22/89]
"ARKANSAS COURT OF APPEALS: MOTION OF APPELLANTS TO EXTEND TIME TO FILE ABSTRACT AND BRIEF, FDIC, CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL V. SETH WARD, NO.CA89-124" [5/19/89] date stamped 5/19/87 in error
"US DISTRICT COURT FOR EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION, SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO.LR-C-89-180: MEMORANDUM IN SUPPORT OF THE FSLIC'S MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, TO STAY REMAND OF THIS ACTION PENDING APPEAL" [5/12/89
"EXTENSION FOR FILING APPELLANTI TO JULY 10, 1989 AUTHORIZED BY CLERK OF ARKANSAS COURT OF APPEALS IN RE: NO.CA89-124, MADISON GUARANTY ET AL V. WARD" [5/22/89]
"MEMORANDUM TO ALL COUNSEL RE: PROMULGATION OF EIGHTH CIRCUIT RULE 8(E)" [9/23/86]
"BRIEFING CHECKLIST BY CLERK OF US COURT OF APPEALS, 8TH DISTRICT"
"CLERK OF US COURT OF APPEALS, 8TH CIRCUIT LETTER TO LAWRENCE BATES, ESQ, HOPKINS, SUTTER ET AL RE:89-1961 IN RE RTC & 89-1980EA WARD V RTC - OPINION AND BRIEFING SCHEDULE ATTACHED" [10/30/89]
"US COURT OF APPEALS, 8TH CIRCUIT ORDER: NO.89-1961 IN RE: RTC, PETITIONER ON PETITION FOR WRIT OF MANDAMUS...,NO.89-1980, WARD V. RTC, APPELLANT: APPELLANT'S PETITION GRANTED" [10/20/89]
"US COURT OF APPEALS, 8TH CIRCUIT MEMORANDUM: RE: REVISED EIGHTH CIRCUIT RULE 7 THE DESIGNATED RECORD ON APPEAL" [7/20/88]
"US COURT OF APPEALS, 8TH CIRCUIT, NO. 89-1961 IN RE: RTC, PETITIONER ON PETITION FOR WRIT OF MANDAMUS...,NO.89-1980, WARD V. RTC, APPELLANT: OPINION OF THE COURT"
"US COURT OF APPEALS, 8TH CIRCUIT, NO. 89-1961 IN RE: RTC, PETITIONER ON PETITION FOR WRIT OF MANDAMUS...,NO.89-1980, WARD V. RTC, APPELLANT: MOTION OF RTC TO BE SUBSTITUTED AS PETITIONER IN PLACE OF FSLIC, IN 89-1861 AND IN PLACE OF FDIC IN NO.89-1980" [9/7/89]
"LTR FR THOMAS RAY TO LINDA PENBERTHY, SR. DEPUTY CLERK, US COURT OF APPEALS-8TH CIRCUIT WITH APPELLEE SETH WARD'S RESPONSE TO PETITION FOR REHEARING IN NOS.89-1961, RTC ET AL AND 89-1980, WARD V. RTC, ET AL" [9/15/89]
"US COURT OF APPEALS-8TH CIRCUIT, FSLIC, PETITIONER NO.89-1961 AND WARD V FDIC, APPELLANT: APPELLEE'S RESPONSE TO PETITION FOR REHEARING" [9/15/89]

DOCUMENT *(title/description/date)*
"CIRCUIT COURT OF PULASKI COUNTY, 2ND DIVISION: SETH WARD V MADISON GUARANTY AND MADISON FINANCIAL: REDIRECT EXAMINATION OF SHERRY BARTLEY, ESQ." [ ]
"CIRCUIT COURT OF PULASKI COUNTY, 2ND DIVISION: SETH WARD V MADISON GUARANTY AND MADISON FINANCIAL, NO.87-7580: JUDGMENT" [8/30/88]
"HR101-54 PART 1: FINANCIAL INSTITUTIONS, RECOVERY AND ENFORCEMENT ACT OF 1989" [5/16/89]
"HR101-54 PART 3: FINANCIAL INSTITUTIONS, RECOVERY AND ENFORCEMENT ACT OF 1989: SUPPLEMENTAL REPORT" [6/1/89]
"FEDERAL BANKING LAW REPORTS: SPECIAL REPORT #1281: FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989" [4/25/89]
"S.774"
"EXHIBIT D: FEDERAL BANKING LAW REPORTS: SPECIAL REPORT #1281: FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989 - CONFERENCE REPORT" [4/25/89]
"FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989 - CONFERENCE REPORT 101-222 (TO ACCOMPANY HR 1278)"
"US DISTRICT COURT: WARD V FDIC, CONSERVATOR FOR MADISON GUARANTY: ORDER DENYING MOTION FOR STAY" [5/22/89]
"US COURT OF APPEALS FOR 8TH CIRCUIT RE: 89-1961/1980 LTR FR ST. VRAIN TO LAWRENCE BATES RE OPINION ENTERED INTO AND DIRECTING HOW TO FILE PETITION FOR REHEARING" [8/7-14/89]
"US COURT OF APPEALS FOR 8TH CIRCUIT NOS.89-1961,89-1980, PETITION FOR WRIT OF MANDAMUS AND ON APPEAL" [7/18/89] FILED [8/7/89]
"EXHIBIT E: US DISTRICT COURT, SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY, LR-C-89-180: ORDER DENYING MOTION FOR STAY" [5/22/89]
"US COURT OF APPEALS FOR 8TH CIRCUIT RE: 89-1961/1980 LTR FR ST. VRAIN (BY MARILYN MCDONALD, DEPUTY CLERK/OPINIONS TO LAWRENCE BATES RE OPINION ENTERED INTO AND DIRECTING HOW TO FILE PETITION FOR REHEARING" [8/7-14/89]
"EXHIBIT E: US DISTRICT COURT, SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY, LR-C-89-180: ORDER DENYING MOTION FOR STAY" [5/22/89]
"US COURT OF APPEALS FOR 8TH CIRCUIT RE: 89-1961/1980 LTR FR ST. VRAIN (BY MARILYN MCDONALD, DEPUTY CLERK/OPINIONS TO LAWRENCE BATES RE OPINION ENTERED INTO AND DIRECTING HOW TO FILE PETITION FOR REHEARING" [8/7-14/89]

DOCUMENT *(title/description/date)*
"EXHIBIT A: US COURT OF APPEALS, 8TH DISTRICT NOS.89-1961, 89-1980 IN RE FSLIC ON PETITION FOR WRIT OF MANDAMUS..., WARD V FDIC ON APPEALS" SUBMITTED [7/18/89] FILED [8/7/89]
"LTR FR GEORGE PIKE, JR., FRIDAY, ELDREDGE & CLARK TO ST.VRAIN, CLERK, US COURT OF APPEALS RE: WARD V FDIC, RESPONSE OF FDIC AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY TO WARD MOTION TO DISMISS." [7/11/89]
"LTR FR GEORGE PIKE, JR., FRIDAY, ELDREDGE & CLARK TO ST.VRAIN, CLERK, US COURT OF APPEALS RE: WARD V FDIC, RESPONSE OF FDIC AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY TO WARD MOTION TO DISMISS." [7/11/89]
"US COURT OF APPEALS, 8TH CIRCUIT: WARD V FDIC, RESPONSE OF FDIC AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY TO WARD MOTION TO DISMISS, WRITTEN BY GEORGE PIKE, JR." [7/11/89]
"US COURT OF APPEALS, 8TH CIRCUIT: WARD V FDIC, AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY: APPELLEE, WARD'S MOTION TO DISMISS" [6/30/89]
"LTR. FR THOMAS RAY, SHULTS, RAY & KURRUS ON BEHALF OF APPELLEE SETH WARD: MOTION TO DISMISS TO ST. VRAIN, CLERK, US COURT OF APPEALS" [6/27/89]
"US COURT OF APPEALS, 8TH CIRCUIT: SETH WARD V FDIC AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARNATY: WARD'S MOTION TO DISMISS (NO.89-1980EA)"
"CIRCUIT COURT OF PULASKI COUNTY, ARK, 2ND DIVISION, NO.87-7580: WARD, PLAINTIFF V. MADISON GUARANTY AND MADISON FINANCIAL: NOTICE OF APPEAL AND DESIGNATION OF RECORD (EXHIBIT A)" [10/6/88]
"IN US DISTRICT COURT FOR EASTERN DIV. ARKANSAS, WESTERN DIVISION, NO.LR-C-89-180: WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY: NOTICE OF REMOVAL TO USDC, EDA (EXHIBIT B) [3/10/89]
"IN US DISTRICT COURT FOR EASTERN DIV. ARKANSAS, WESTERN DIVISION, NO.LR-C-89-180: WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY: ORDER GRANTING PLAINTIFF'S MOTION TO REMAND (EXHIBIT C)" [4/28/89]
"US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION DOCKET NO.LR-C-89-180: SETH WARD V. FDIC: TRANSCRIPT OF PROCEEDINGS BEFORE THE HON. STEVEN REASONER. APPEARANCES, FOR PLAINTIFF, THOMAS RAY; FOR DEFENDANT, GEORGE PIKE" [4/28/89]
"ARKANSAS COURT OF APPEALS: MADISON GUARANTY S&L AND MADISON FINANCIAL CORP. V SETH WARD, NO.CA89-124: MOTION OF APPELLANTS TO EXTEND TIME FOR FILING OF ABSTRACT AND BRIEF" [6/30/89]
"INVENTORY OF BOX TWO OF TWO BOXES: PARTS III & IV OF IV PARTS, SETH WARD"

DOCUMENT *(title/description/date)*
"SETH WARD: LITIGATION AND PROOFS OF CLAIM, PART IV OF IV PARTS"
"US COURT OF APPEALS, 8TH CIRCUIT IN RE: FSLIC, AS CONSERVATOR OF MADISON GUARANTY S&L BY FDIC AS MANAGER FOR THE CONSERVATOR, PETITIONER V. SETH WARD, RESPONDENT: RESPONSE IN OPPOSITION TO FDIC'S EMERGENCY MOTION TO STAY ORDER OF REMAND PENDING DISPOSITION OF PETITION FOR WRIT OF MANDAMUS" [6/14/89]
"EXHIBIT A: USA BEFORE FSLIC IN THE MATTER OF: MADISON GUARANTY S&L, FED HOME LOAN BANK BOARD RESOLUTION NO.86-851: STIPULATION AND CONSENT TO ENTRY OF ORDER TO CEASE AND DESIST" [8/15/86]
"EXHIBIT B: USA BEFORE FSLIC IN THE MATTER OF: MADISON GUARANTY S&L, FED HOME LOAN BANK BOARD RESOLUTION NO.86-851: ORDER TO CEASE AND DESIST" [8/15/86]
"EXHIBIT C: ESCROW AGREEMENT B/N MADISON GUARANTY AND WORTHEN BANK & TRUST"
"EXHIBIT D: FIRST CLASS MAIL FR FRIDAY, ELDREDGE & CLARK TO THOMAS RAY"
"EXHIBIT E: US DISTRICT COURT, EASTERN DISTRICT, ETC, SETH WARD V. FDIC, CONSERVATOR, MADISON GUARANTY (LR-C-89-180): NOTICE OF REMOVAL TO US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION" [10/10/89]
"EXHIBIT F: US DISTRICT COURT, EASTERN DISTRICT, WESTERN DIVISION, SETH WARD V. FDIC, CONSERVATOR, MADISON GUARANTY (LR-C-89-180): ORDER BY JUDGE REASONER DENYING MOTION FOR STAY PENDING APPEAL, STATING COURT LACKS JURISDICTION TO RECONSIDER OR STAY THE ORDER REMANDING THE ACTION TO THE ARKANSAS COURT OF APPEALS" [5/22/89]
"EXHIBIT G: US DISTRICT COURT, EASTERN DISTRICT, WESTERN DIVISION, SETH WARD V. FDIC, CONSERVATOR, MADISON GUARANTY (LR-C-89-180): MOTION TO REMAND BY PLAINTIFF, WARD, SUBMITTED BY THOMAS RAY" [3/22/89]
"CERTIFICATE OF SERVICE OF COPIES OF MOTION TO REMAND BY PLAINTIFF, WARD, SUBMITTED BY THOMAS RAY" [3/22/89]
"EXHIBIT H: US DISTRICT COURT, EASTERN DISTRICT, WESTERN DIVISION, SETH WARD V. FDIC, CONSERVATOR, MADISON GUARANTY (LR-C-89-180): PLAINTIFF'S MEMORANDUM OF LAW IN SUPPORT OF MOTION TO REMAND" [3/22/89]
"EXHIBIT I: US DISTRICT COURT, EASTERN DISTRICT, WESTERN DIVISION, SETH WARD V. FDIC, CONSERVATOR, MADISON GUARANTY (LR-C-89-180): PLAINTIFF'S REPLY TO DEFENDANT'S RESPONSE IN OPPOSITION TO MOTION TO MOTION TO REMAND" [4/19/89]
"LAWRENCE F. BATES (HOPKINS, SUTTER, HAMEL & PARK), OF COUNSEL, LTR. TO PAUL JEDDELOH, ESQ., FDIC ATTACHING DOCUMENTS FOR REVIEW" [8/16/89]
"US COURT OF APPEALS, 8TH CIRCUIT, NO. CA 89-1980EA, WARD V. FDIC AS CONSERVATOR: FSLIC'S OPENING BRIEF FOR APPELLANT"

DOCUMENT *(title/description/date)*
"US DISTRICT COURT, EASTERN DISTRICT, WESTERN DIVISION, SETH WARD V. FDIC, CONSERVATOR, MADISON GUARANTY (LR-C-89-180) DOCKET & LISTING OF PROCEEDINGS, W/ CORRESPONDING DATES, MOTIONS AND ORDERS"
"TRANSCRIPT OF PROCEEDINGS: INDEX OF PLAINTIFF'S EXHIBITS, WITNESSES, EXAMINATIONS, DEFENDANT'S EVIDENCE, WITNESSES & EXAMINATIONS"
"EXCERPTS OF TRANSCRIPT OF PROCEEDINGS BEFORE THE HON. STEVEN REASONER, US DISTRICT COURT AND EXHIBITS"
"WARD V FDIC, CONSERVATOR, US DISTRICT COURT: PLAINTIFF'S REPLY TO DEFENDANT'S RESPONSE IN OPPOSITION TO MOTION TO MOTION TO REMAND - INCLUDED IN PLAINTIFF'S BRIEFING"
"FEDERAL HOME LOAN BANK BOARD RESOLUTION 86-851: STIPULATION & CONSENT OF ORDER TO CEASE AND DESIST - INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [8/15/86]
"FEDERAL HOME LOAN BANK BOARD RESOLUTION 86-851: ORDER TO CEASE AND DESIST - INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [8/15/86]
"MEMORANDUM OPINION AND ORDER IN RE: US DISTRICT COURT EASTERN DISTRICT ARKANSAS, WESTERN DISTRICT: FIRST FINANCIAL S&L OF EL DORADO, FIRST FEDERAL S&L OF ROGERS, ARK, ET AL, PLAINTIFFS (NO.LR-C-86-724) V FSLIC AS RECEIVER FOR FIRSTSOUTH, F.A., DEFENDANT & FSLIC, AS RECEIVER V. FIRST JACKSONVILLE BANK, ET AL, DEFENDANTS/COUNTERPLAINTIFFS INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [1/21/87]
"US DISTRICT COURT, WARD V. FDIC, CONSERVATOR: MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, REMAND OF THIS ACTION PENDING APPEAL - INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [5/12/89]
"US DISTRICT COURT, WARD V. FDIC, CONSERVATOR: MEMORANDUM IN SUPPORT OF THE FSLIC'S MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, REMAND OF THIS ACTION PENDING APPEAL - INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [5/12/89]
"FHLBB APPOINTMENT OF CONSERVATOR FOR MADISON GUARANTY - INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [2/28/89]
"MANAGEMENT AGREEMENT AMONG FEDERAL HOME LOAN BANK BOARD, FSLIC & FDIC - EXHIBIT 2 - INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [2/7/89]
"IN THE US DISTRICT COURT EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION (DOCKET NO.LR-C-89-180), WARD, PLAINTIFF V. FDIC, DEFENDANT: TRANSCRIPT OF PROCEEDINGS BEFORE THE HON. STEVEN REASONER BY PEGGE J. MERKEL" [4/28/89]

DOCUMENT *(title/description/date)*
"ARKANSAS COURT OF APPEALS: MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS V. SETH WARD (NO.CA 89-124), APPELLEE: MOTION OF APPELLANTS TO EXTEND TIME FOR FILING OF ABSTRACT AND BRIEF" [8/2/89]
"ARKANSAS COURT OF APPEALS: FDIC, CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS V. SETH WARD (NO.CA 89-124), APPELLEE: APPELLEE'S RESPONSE IN OPPOSITION TO APPELLANTS' THIRD MOTION FOR EXTENSION OF TIME TO FILE ABSTRACT AND BRIEF" [8/4/89]
"ARKANSAS COURT OF APPEALS: FDIC, CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS V. SETH WARD (NO.CA 89-124), APPELLEE: APPELLANT FSLIC'S SUPPLEMENTAL BRIEF IN SUPPORT OF ITS MOTION FOR EXTENSION OF TIME TO FILE ABSTRACT AND BRIEF" [8/2/89]
"ARKANSAS COURT OF APPEALS: FDIC, CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS V. SETH WARD (NO.CA 89-124), APPELLEE: MOTION TO DISMISS" [8/10/89]
"ARKANSAS COURT OF APPEALS: FDIC, CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS V. SETH WARD (NO.CA 89-124), APPELLEE: APPELLEE'S SUPPLEMENTAL RESPONSE IN OPPOSITION TO APPELLANTS' THIRD MOTION FOR EXTENSION OF TIME TO FILE ABSTRACT AND BRIEF" [8/10/89]
"CONGRESSIONAL RECORD - HOUSE: POWER TO REMOVE: JURISDICTION" [8/4/89]
"IN THE US DISTRICT COURT, EASTERN DIVISION OF ARKANSAS, WESTERN DIVISION (NO.LR-C-89-180), SETH WARD V. FDIC, CONSERVATOR: PLAINTIFF'S RESPONSE IN OPPOSITION TO FDIC'S MOTION TO RECONSIDER OR STAY THE ORDER OF REMAND" [5/17/89]
"IN THE US DISTRICT COURT, EASTERN DIVISION OF ARKANSAS, WESTERN DIVISION (NO.LR-C-89-67), FIRST FEDERAL S&L OF HARRISON, ARK, PLAINTIFF V. SAVERS FEDERAL S&L OF LITTLE ROCK, ARK: RTC'S NOTICE OF REMOVAL" [8/22/89]
"IN THE US DISTRICT COURT, EASTERN DIVISION OF ARKANSAS, WESTERN DIVISION (NO.LR-C-89-67), FIRST FEDERAL S&L OF HARRISON, ARK, PLAINTIFF V. SAVERS FEDERAL S&L OF LITTLE ROCK, ARK: ORDER DENYING PLAINTIFF'S MOTION TO REMAND CASE TO STATE COURT; GRANTING DEFENDANT'S MOTION TO STAY ALL PROCEEDINGS FOR 45 DAYS; DIRECTING DEFENDANT TO POST BOND IN THE FORM OF US TREASURY BILL; DIRECTING CLERK OF THE COURT TO HOLD TREASURY BILL; GIVING PLAINTIFF RIGHT IN THE BOND BY SERVING A WRIT GARNISHMENT OR WRIT OF EXECUTION ON DEFENDANT ON 9/8/89; THAT CONDITIONS OF COURT SHALL CONTINUE UNTIL FURTHER ORDERS OF THE COURT" [9/12/89]
"IN THE US DISTRICT COURT, EASTERN DIVISION OF ARKANSAS, WESTERN DIVISION (NO.LR-C-89-67), FIRST FEDERAL S&L OF HARRISON, ARK, PLAINTIFF V. SAVERS FEDERAL S&L OF LITTLE ROCK, ARK, CASE NO. LR-C-89-679: TENDER IN LIEU OF GARNISHMENT BY RTC, AS CONSERVATOR FOR SAVERS - BY GEORGE DAHNKE, ESQ., HASTIE & KIRSCHNER" [9/12/89]

DOCUMENT *(title/description/date)*
"IN THE US DISTRICT COURT, EASTERN DIVISION OF ARKANSAS, WESTERN DIVISION (NO.LR-C-89-67), FIRST FEDERAL S&L OF HARRISON, ARK, PLAINTIFF V. SAVERS FEDERAL S&L OF LITTLE ROCK, ARK, CASE NO. LR-C-89-679: TENDER IN LIEU OF GARNISHMENT BY RTC, AS CONSERVATOR FOR SAVERS - BY GEORGE DAHNKE, ESQ., HASTIE & KIRSCHNER" [9/12/89]
"IN CIRCUIT COURT OF PULASKI COUNTY, ARK., SECOND DIVISION, SETH WARD V. MADISON GUARANTY S&L AND MADISON FINANCIAL: SUPERSEDEAS ORDER BY JUDGE PERRY V. WHITMORE - ESCROW AGREEMENT ENTERED INTO IN LIEU OF SUPERSEDEAS BOND" [11/15/88]
"US COURT OF APPEALS FOR THE ELEVENTH CIRCUIT (NO.89-5272) IN RE: FSLIC & SAVERS FEDERAL S&L ASSOCIATION, PETITIONERS ON PETITION FOR WRIT OF MANDAMUS TO THE US DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA" [4/24/89]
"US COURT OF APPEALS FOR THE EIGHTH CIRCUIT (NO.89-1980EA), SETH WARD, APPELLEE, V. FSLIC AS MGR FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY S&L, APPELLANT AND (NO.89-1961) IN RE FSLIC, PETITIONER ON PETITION FOR WRIT OF MANDAMUS TO THE US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS: MOTION TO CONSOLIDATE PROCEEDINGS" [8/7/89]
"US COURT OF APPEALS FOR THE EIGHTH CIRCUIT (NO.89-1980EA), RTC, AS CONSERVATOR FOR MADISON GUARANTY, APPELLANT V. SETH WARD, APPELLEE: BRIEF OF APPELLEE" [1/6/90]
"US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION (CIVIL NO.LR-C-89-228), SETH WARD II & ANN BALCH WARD V FDIC, CONSERVATOR FOR MADISON GUARANTY: ORDER GRANTING DEFENDANT'S MOTION FOR SUMMARY JUDGMENT AND DISMISSING CASE, W/ PREJUDICE. EACH PARTY TO BEAR ITS OWN COSTS, AND PLAINTIFFS ARE ESTOPPED FROM CLAIMING A RIGHT TO A LOWER INTEREST RATE THAN THAT REFLECTED IN THE OFFICIAL RECORDS OF THE DEFENDANT." [1/23/90]
"US COURT OF APPEALS FOR THE EIGHTH CIRCUIT (NO.89-1980), SETH WARD, APPELLEE, V. RTC AS CONSERVATOR FOR MADISON GUARANTY ON APPEAL: PER CURIAM: APPEAL IS MOOT" SUBMITTED [4/13/90]; FILED [5/7/90]
"US DISTRICT COURT, EASTERN DISTRICT, WESTERN DIVISION (DOCKET NO.LR-C-89-807), SETH WARD, PLAINTIFF V RTC, AS CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL: TRANSCRIPT OF HEARING BEFORE THE HONORABLE JUDGE STEPHEN M. REASONER" [10/31/89]
"LTR FROM HARRY A. LIGHT TO ACTING CLERK, US COURT OF APPEALS TO THE HONORABLE MICHAEL E. GANS RE: CAUSE NO.91-3015, WARD V RTC AS RECEIVER FOR MADISON GUARANTY ET AL ATTACHED TO OWN ENTRY OF APPEARANCE ON BEHALF OF APPELLANTS, ENTRY OF APPEARANCE OF MICHAEL G. THOMPSON ON BEHALF OF APPELLANTS, AND 3 COPIES OF NOTICE OF APPELLANTS' INTENTION TO FILE SEPARATE APPENDIX FOR FILING" [9/13/91]

DOCUMENT *(title/description/date)*
"RE: CAUSE NO.91-3015, WARD V RTC AS RECEIVER FOR MADISON GUARANTY ET AL ENTRY OF APPEARANCE OF MICHAEL G. THOMPSON ON BEHALF OF APPELLANTS"
"NOTICE OF APPELLANTS' INTENTION TO FILE SEPARATE APPENDIX: IN NO.91-3015, WARD, APPELLEE V. RTC AS RECEIVER FOR MADISON GUARANTY, & MADISON FINANCIAL CORP., APPELLANTS" [9/13/91]
"RE: CAUSE NO.91-3015, WARD V RTC AS RECEIVER FOR MADISON GUARANTY ET AL ENTRY OF APPEARANCE OF HARRY A. LIGHT ON BEHALF OF APPELLANTS"
"LTR. FR MICHAEL E. GANS, CLERK, US COURT OF APPEALS FOR THE EIGHTH CIRCUIT TO HARRY A. LIGHT & GEORGE PIKE, JR., FRIDAY & ELDREGE, RE:91-3015EALR, WARD V RTC WITH APPEAL BRIEFING SCHEDULE, BRIEFING CHECKLIST AND ADDRESSES OF INVOLVED PARTIES"
"US COURT OF APPEALS - EIGHTH CIRCUIT, APPELLEE'S FORM B: APPEAL INFORMATION FORM COMPLETED BY THOMAS RAY, SHULTS,RAY & KURRUS, FOR SETH WARD" [9/10/91]
"US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS: ORDER SCHEDULING HEARING FOR 7/19/91 IN RE LR-C-89-807, WARD V. RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL" [7/2/91]
"US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS: ORDER GRANTING DEFENDANT'S MOTION TO SUBSTITUTE RTC AS RECEIVER IN PLACE OF AS CONSERVATOR IN RE LR-C-89-807, WARD V. RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL" [7/2/91]
"US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS CIVIL NO. LR-C-89-807, WARD V. RTC, AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL: MOTION FOR RELIEF FROM JUDGMENT BY DEFENDANTS, RTC, ET AL" [7/11/91]
"US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS CIVIL NO. LR-C-89-807, WARD V. RTC, AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL: BRIEF IN SUPPORT OF MOTION FOR RELIEF FROM JUDGMENT BY DEFENDANTS, RTC, ET AL" [7/11/91]

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Alfonse M. D'Amato
Ranking Minority Member
Committee on Banking, Finance
and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Senator D'Amato:

On January 11 and January 25, 1994 you wrote to me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

United States
Office of Government Ethics
1201 New York Avenue, NW , Suite 500
Washington, DC 20005-3917

March 22, 1994

The Honorable James A. Leach
Ranking Member
Committee on Banking, Finance and Urban Affairs
House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515-6050

Dear Congressman Leach:

I want to let you know what the Office of Government Ethics (OGE) is doing in response to your letter dated March 1, 1994.

Your letter asks for OGE's review and advice as to whether a meeting between three White House officials and Roger Altman, Interim Chief Executive Officer of the Resolution Trust Corporation (RTC) and Deputy Secretary of the Treasury, "violated any guidelines of government ethics, regulations, or law." Various sections of title 3 C.F.R. and title 12 C.F.R. are cited in your letter as possibly being applicable to this matter.

After receiving your letter, my staff contacted Independent Counsel Robert Fiske to request a meeting. OGE has also received a letter from Lloyd Bentsen, Secretary of the Treasury, asking for our views regarding certain actions that may have been taken by members of his staff. Because media reports had indicated that Mr. Fiske's office had issued subpoenas to certain Treasury and White House officials, we felt it was necessary to meet with Mr. Fiske and/or his representatives before proceeding in any fashion with respect to either your letter or Secretary Bentsen's letter. A copy of OGE's letter to Mr. Fiske was sent to you.

Early last week, OGE staff met with the staff from the Office of the Independent Counsel. At the meeting, my staff outlined OGE's role in the executive branch and discussed the steps that OGE might take in response to your letter and the letter from Secretary Bentsen. OGE agreed not to pursue any activities at this time that might jeopardize any investigation now being conducted by Mr. Fiske. OGE asked the Office of the Independent Counsel to notify us when an administrative investigation of employee conduct could proceed. We have since received a letter from that office confirming our conversation. Holding any administrative investigation in abeyance until a criminal investigation is at a stage where it will not be compromised follows the long-standing guidance of the Department of Justice (DOJ). Copies of that DOJ guidance are enclosed for your information.

In the meantime, my staff has arranged to meet with the Inspector General (IG) Offices at both the Department of the Treasury and the RTC. OGE is not an investigatory agency. We believe that we can effectively work with the investigators in those offices so that any information we believe relevant to issues of the application of the standards of ethical conduct can be developed and included in a report from those offices.[*]

We understand that the IG at the Department of the Treasury has received a request from at least one member of Congress to investigate the matter which is the subject of your letter to OGE, and that the IG, like OGE, is acceding to a request from the Independent Counsel not to proceed on the matter at this time. Accordingly, our discussions with the IG offices will focus on what actions we each might take in the future, once the Independent Counsel has notified us that we may proceed. We will then provide you with our views as to any ethics or conflicts issues that may be raised by the investigative reports.

Sincerely,

Stephen D. Potts
Director

Enclosures

cc: Lloyd Cutler
Counsel to the President

Jean Hanson
General Counsel
Department of the Treasury

Art Kusinski
Director of Office of Ethics
Resolution Trust Corporation

---

[*] It is important to note in this regard that some of the regulations cited in your letter were superseded on February 3, 1993, by OGE's executive branch-wide "Standards of Ethical Conduct" in 5 C.F.R. part 2635. Therefore, it will be the Standards of Ethical Conduct in 5 C.F.R. part 2635 upon which OGE will focus. The cited provision in 3 C.F.R. regarding "General conduct prejudicial to the Government" was not superseded by 5 C.F.R. part 2635 because it is derived from employee conduct regulations issued by the Office of Personnel Management in 5 C.F.R. part 735.

HENRY B. GONZALEZ
[illegible]

[illegible] House Office Building
Washington DC 20515-4320
202-225-3236

[illegible]
B-124 Federal Building
727 E. [illegible] Street
San Antonio TX 78206-1286
210-229-6195

Congress of the United States
House of Representatives
Washington, DC 20515-4320

[illegible]
BANKING, FINANCE AND
URBAN AFFAIRS
CHAIRMAN

SUBCOMMITTEES
Housing and Community Development
Chairman
Consumer Credit and Insurance
International Development, Finance,
Trade, and Monetary Policy

March 9, 1994

[illegible]

BO4SL
8TW

The Honorable James A. Leach
2186 Rayburn HOB
Washington, D.C. 20515

Dear Jim:

This is to acknowledge receipt of and to thank you for your letter of March 8th. It will get the due consideration it merits.

What was most impressive was the total number of your co-signers revealing for the first time intense interest in RTC and OTS oversight hearings. It is most gratifying to me inasmuch as all, with very few exceptions, were furiously against financing RTC last year.

With every good wish, I remain

Sincerely,

Henry Gonzalez

Henry B. Gonzalez
Member of Congress

P.S.: Now, Jim, I saw your sermon in the Washington Times of March 8th. Frankly, there's nothing more absurd - even repugnant- than the spectacle of you bunch of Republicans - and the Washington Times - in fits and paroxysms of morality.

HG

(article in WT is enclosed)

P.①

[illegible]

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

[illegible]

March 10, 1994

Mr. Robert B. Fiske, Jr.
Independent Counsel
Office of the Independent Counsel
Two Financial Centre, Suite 134
10825 Financial Centre Parkway
Little Rock, AR 72211

Dear Mr. Fiske:

I am writing to make clear to you that, as Ranking Member of the committee of jurisdiction over an issue which you are probing, I am fully prepared to recognize the legitimate concerns, as indicated below, of your office. I believe, however, that you have an equal obligation not to interfere with the legitimate oversight responsibilities of Congress.

There are, broadly, three things a prosecuting attorney can credibly request of Congress, which the Congress should take into consideration as it structures approaches to its responsibilities:

1. Where possible, any prosecuting attorney should be given an opportunity to put witnesses under oath first.
2. If possible, Congress should avoid giving immunity to key witnesses.
3. Where appropriate, prosecuting strategies should not be revealed.

Likewise, I hereby request that the special counsel do nothing that will: 1) put a chilling effect on our Congressional investigation and oversight, particularly with regard to witnesses and strategy you may gather from the material we have supplied you; 2) intervene or tilt the checks and balances between the Legislative and Executive Branches; or 3) pursue a course that tilts towards choosing sides in what is a legitimate difference between America's two great political parties.

With regard to witnesses we wish to invite, you have been provided our prospective list. I am prepared to agree that a week or two delay in hearings could be considered if you suggest

②

Mr. Robert B. Fiske, Jr.
Page 2
March 10, 1994

time is inadequate for you to interview all on our witness list. But I would stress the minority does not control the hearing process. Given the manner in which the majority party has failed for over four months to accede to a restrained request for a hearing, we have no choice but to latch on to the one modest power we have: an insistence, that however uncomfortable, the majority comply with the law and hold a statutorily required oversight hearing on the RTC, with a date specific in the next four weeks.

With regard to immunity, as I indicated in my March 7 letter, the minority has no intent, nor power to offer such

With regard to prosecutorial strategies, we would of course not intend to reveal such, even if we knew what they were.

As for the competitive aspect of jurisdictions, I would bring to your attention the following passage from Mr. Walsh's recent report on the Iran-Contra probe

> When a conflict between the oversight and prosecutorial roles develops -- as plainly occurred in the Iran/contra affair -- the law is clear that it is Congress that must prevail. This is no more than a recognition of the high political importance of Congress's responsibility. It also is the appropriate place to strike the balance, as a resolution of this conflict calls for the exercise of a seasoned political judgment that must take a broad view of the national interest.

It is in this context that I must confess to more than a little concern about your assertion that you have a "strong concern" about "any hearing" our committee might hold and your belief that Congressional inquiry "would pose a severe risk to the integrity of our investigation." I reiterate this concern in light of the historical irony that it was Senator Ervin's committee that revealed the existence of the Watergate tapes and that it was the recent Senate hearing that revealed improper contacts between Executive Branch agencies and the White House. Hearings almost always reveal knowledge and perspective that is helpful to prosecutors. The major recent exception involved the excessive zeal of the majority party to embarrass President Reagan that caused it to offer immunity to certain witnesses.

Given the circumstance, unlike most of the past several decades where the majority party in Congress was opposite that of the White House, I am concerned that your public lobbying of Congress has the effect of sending a chilling precedent for Congressional oversight and a fatuous pretext for the majority party which controls the machinery of Congress to delay, defer, or avoid its

3

Mr. Robert B. Fiske, Jr.
Page 3
March 10, 1994

Constitutional responsibilities.

In this context, I would bring to your attention the March 9 comments of the Speaker of the House, Thomas S. Foley: "I don't see any reasons for hearings. I think we ought to pay special attention to the counsel of the special counsel, Mr. Fiske."

I would also bring to your attention the following exchange between Mr. Livingston of Louisiana and the Secretary of the Treasury before a House Appropriations Subcommittee this afternoon. Mr. Livingston asked if Secretary Bentsen had been apprised in advance of Roger Altman's meeting at the White House on the failure of Madison Guaranty. The Secretary responded: "On advice of Mr. Fiske, the special counsel, I refuse to answer."

It is insufficient to simply state, as you did in your March 7 letter to me, that Congress has a legitimate oversight role and then to advance a public strategy that undercuts the capacity of Congress to uphold its responsibilities and the minority party to hold the majority party accountable to the law as well as to the appropriate legislative and oversight processes.

Here it should be stressed that not only does the Congress have constitutionally-mandated oversight responsibilities, but that traditionally in all Western democracies it is the responsibility of the party out of power to hold the party in power accountable for breaches of the public trust. In this regard, any special counsel has a particular obligation to ensure absolute and complete impartiality of the process if the results of that counsel's inquiry are to be credibly received by the public.

It may be standard operating procedure for all prosecutors to be doubtful of intervention by the Congress. But it is not standard operating procedure to bias or tilt in any way the American political process or to make premature public judgements about the White House being "very responsive and cooperative" to a probe when there are indications to the contrary. I am particularly concerned that officials of the Kansas City RTC office are being gagged and possibly coerced by the Washington RTC office. (See attached confidential memo.)

It is also unprecedented presumption for a counsel to suggest, as reported today in the Washington Post: "I would prefer that there be no hearings."

With due respect for the difficult task assigned to you, please understand that Members of Congress have obligations as well

Mr. Robert B. Fiske
Page 4
March 10, 1994

In this regard, based on the material supplied to you in the past and the enclosed memorandum, I request that you not reveal the strategy of the minority or put any stumbling blocks in the way of our efforts to seek public accountability.

I have known very few issues where public accountability is more important. This is after all an issue of public ethics as well as public law. Accordingly, as you vigorously seek documents, I would stress again my apprehension that at the end of the process the White House can be expected to seek to seal the vast array of documents related to your inquiry. Here the constitutionally differentiated distinction between a Justice Department inquiry seeking criminal and civil accountability and Congressional oversight which often involves the question of public disclosure is substantial.

But the differentiated roles of Congress and a special counsel does not mean, as you have implied, that the two are incompatible. The two are generally complementary. Indeed, one could credibly suggest that any attempt by a prosecuting attorney to constrain Congress beyond the standards indicated above is counterproductive. Constraining a Congressional inquiry has the effect of reducing knowledge, thus reducing prosecutorial discretion.

As I indicated in our first conversation, one of the most extraordinary aspects of this issue is the question of how to bring it to a resolution. I am prepared to assist in lending credibility to the conclusions ultimately drawn by the special counsel if the results are, indeed, credible. But I will state as firmly as I can, in our kind of democracy full disclosure is imperative and the role of Congressional hearings in addition to all other legislative purposes is one of establishing a tangible accountability in open format so that the American people have confidence that government of, by and for the people is one of openness and fair process

One of the understandably important aspects of criminal investigations from the prosecutorial standpoint is confidentiality. One of the understandably important aspects of democracy is openness. Both must be respected to the maximum degree possible and neither should or has to jeopardize the other.

Sincerely,

James A. Leach
Ranking Minority Member

Attachment

HENRY B GONZALEZ TEXAS CHAIRMAN
STEPHEN L NEAL NORTH CAROLINA
JOHN J LAFALCE NEW YORK
BRUCE F VENTO MINNESOTA
CHARLES E SCHUMER NEW YORK
BARNEY FRANK MASSACHUSETTS
PAUL E KANJORSKI PENNSYLVANIA
JOSEPH P KENNEDY II MASSACHUSETTS
FLOYD H FLAKE NEW YORK
KWEISI MFUME MARYLAND
MAXINE WATERS CALIFORNIA
LARRY LAROCCO IDAHO
BILL ORTON UTAH
JIM BACCHUS FLORIDA
HERBERT C KLEIN NEW JERSEY
CAROLYN B MALONEY NEW YORK
PETER DEUTSCH FLORIDA
LUIS V GUTIERREZ ILLINOIS
BOBBY L RUSH ILLINOIS
LUCILLE ROYBAL-ALLARD CALIFORNIA
THOMAS M BARRETT WISCONSIN
ELIZABETH FURSE OREGON
NYDIA M VELAZQUEZ NEW YORK
ALBERT R WYNN MARYLAND
CLEO FIELDS LOUISIANA
MELVIN WATT NORTH CAROLINA
MAURICE HINCHEY NEW YORK
CALVIN M DOOLEY CALIFORNIA
RON KLINK PENNSYLVANIA
ERIC FINGERHUT OHIO

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A. LEACH IOWA
BILL McCOLLUM FLORIDA
MARGE ROUKEMA NEW JERSEY
DOUG BEREUTER NEBRASKA
THOMAS RIDGE PENNSYLVANIA
TOBY ROTH WISCONSIN
ALFRED A. McCANDLESS CALIFORNIA
RICHARD H BAKER LOUISIANA
JIM NUSSLE IOWA
CRAIG THOMAS WYOMING
SAM JOHNSON TEXAS
DEBORAH PRYCE OHIO
JOHN LINDER GEORGIA
JOE KNOLLENBERG MICHIGAN
RICK LAZIO NEW YORK
ROD GRAMS MINNESOTA
SPENCER BACHUS III ALABAMA
MIKE HUFFINGTON CALIFORNIA
MICHAEL CASTLE DELAWARE
PETER KING NEW YORK

BERNARD SANDERS, VERMONT

(202) 226-4247

March 31, 1994

John E. Ryan
Deputy Chief Executive Officer
The Resolution Trust Corporation
801 17th Street, N.W.
Washington, D.C. 20434

Ellen B. Kulka
General Counsel
The Resolution Trust Corporation
801 17th Street, N.W.
Washington, D.C. 20434

Dear Mr. Ryan and Ms. Kulka:

I am in receipt of the two RTC letters of March 30, 1994 and would like to make the following points.

While I have made no assertion or implication that either of you are responsible for RTC decisions made last fall, my concern is that efforts were made to jeopardize the independence of the regulatory system at that time and that certain reorganization decisions recently made may impinge on the independence of the RTC's investigations division. For perspective, I have noted and you do not contest that:

1) It was RTC-Washington that within two days of receipt of criminal referrals from the Kansas City office visited the White House;

2) It was RTC Washington that objected to the content of the referrals, and shortly after their receipt, attempted to establish an unprecedented change of procedure related to reviewing then existent and future Madison referrals;

3) Shortly after, a senior Kansas City criminal investigator was removed from the case;

4) Then in early February, officials from RTC-Washington visited Kansas City where the message was communicated that senior RTC officials in Washington wished to claim Whitewater did not cause any losses at Madison.

Nothing in your response disputes the occurrence of these events. With regard to the statement "that senior officials in Washington wanted it understood that they wished to claim Whitewater was not responsible for any losses to Madison," you state, "we are quite sure that neither of us has given any such instructions to RTC staff." I appreciate this perspective. However, it is a point of fact, not conjecture, that RTC attorney April Breslaw told a senior criminal investigator in the Kansas City office that, "Ryan and Kulka, the 'head people,' would like to be able to say that Whitewater did not cause a loss to Madison," as reflected in the attached notes from the taped conversation of February 2, 1994.

With regard to your implicit acknowledgement that RTC-Washington disagreed with criminal referrals developed at the regional office, it should be stressed that even though these referrals were sent to Justice exactly as investigators had proposed them, it is not the case, as you suggest, that internal staff disagreements in the Washington vs. regional office context are common. The fact is that it is virtually unprecedented for RTC-Washington to attempt to influence the content of a criminal referral developed by a regional office in the way RTC-Washington attempted. It was only because of the courageous refusal of the Kansas City office to modify their content that the referrals were sent untampered to the Department of Justice. This decision in Kansas City presumably represented a consensual leadership decision, not simply a "junior staff" approach as your letter implies. In this regard, there is no indication whatsoever that the referral information reflected anything except the highest professional standard.

As for documentation, it is always a matter of judgement as to what to release publicly. We made a careful effort to release nothing that affected the prosecutorial strategy of the Special Counsel. In fact, we carefully culled documents in our possession with the intent to withhold anything that could affect prosecutorial discretion. We even redacted previously unreported information that may have related to prosecutorial strategy. If the material has shed an embarrassing light on government policy and policy makers, we can only say that the documents speak for themselves.

With regard to your statement "you requested a particular document from the RTC last week even though it was apparently already in your possession," please be informed that when the request was initially made I did not have this document in my possession. Here it might also be pointed out that the document you objected to was fully described in a prior Washington Post story of November 11, 1993, a story which did not originate from my office. To assert that the public release of a document already widely reported "could have a deleterious effect on [y]our investigations," is simply not credible.

Page 3
John E. Ryan
Ellen B. Kulka
March 31, 1994

So that there is no misunderstanding, I support certain decisions made under your leadership at the RTC. I am pleased that the RTC has hired outside counsel to advise the agency and that it has requested its own inspector general to reexamine issues surrounding the failure of Madison. I am also pleased that you have indicated your intent to cooperate fully with Special Counsel Fiske.

However, I remain concerned at the intransigence of RTC-Washington concerning document production and the recent reorganization effort which appears to reduce markedly the independence of regional RTC investigation units. I am particularly concerned about the new rules designed to take away regional independence that have been imposed in recent weeks as reported in the March 30, 1994 Kansas City Star (copy enclosed). The Star states: "For the first time the RTC criminal investigators, including those currently investigating Madison, are under supervision of lawyers in the agency's Professional Liability Section." Also reported are concerns of RTC employees that this change in procedure will politicize the criminal referral process, create potential conflicts of interest and be the "death of the RTC investigations division." Generally, there is a case for reorganizing any federal bureaucracy at any time. However, the timing and substance of the structural change raises questions that relate more to political independence than bureaucratic efficiencies.

As demonstrated in the remarkable independence of the San Francisco regional OTS office in its dispute with Washington authorities in the Keating matter, and as reflected in Kansas City's courageous investigation of Madison, it would appear that decentralized regional offices are more immune to political influence than Washington bureaucracies. Centralization of decision making carries in this circumstance apparent and unfortunate political overtones.

Sincerely,

JAMES A. LEACH
Ranking Member

JL:bt

enclosures (2)

Notes from the conversation between RTC Senior Criminal Investigator L. Jean Lewis and FDIC Attorney April Breslaw on February 2, 1994, from approximately 3:50 p.m. until 4:35 p.m.

- April stated that "the people at the top" keep getting asked about Whitewater, which seems to have become a catch all phrase for Madison and it's related investigations. She said that eventually "this group" is going to have to make a statement about whether or not Whitewater caused a loss to Madison, but the fact that Whitewater had no loan at Madison provided less potential for a loss. April stated very clearly that Ryan and Kulka (?), the "head people", would like to be able to say that Whitewater did not cause a loss to Madison, but the problem is that so far no one has been able to say that to them. She felt like they wanted to be able to provide an "honest answer", but that there were certain answers that they would be "happier about, because it would get them off the hook."

- April felt that it would have been difficult to determine exactly what happened with the Whitewater account, because so many checks had gone in and out of the account, and made a reference to the end resulting netting itself out. She asked about Greg Young's work papers on the Maple Creek Farms reserve for development analysis, and how it didn't seem to have any apparent tie to Whitewater. I concurred that it didn't have any legitimately defined tie, which is precisely why it was included in the referral.

- She inquired about the $30,000 check to Jim McDougal from Whitewater in 5/85, and about the disposition of the funds. I explained the transaction as I know it: the $30,000 had been converted to a MGS&L cashier's check, which was subsequently endorsed by [redacted] and deposited to Riggs National Bank. I explained that when the check was force paid, the Whitewater account was overdrawn by over $28,000 which was then subsequently covered by the payment of a $30,000 bonus from MFC to Jim McDougal, deposited directly to Whitewater on McDougal's orders.

- She asked how we could get to a clear cut answer as to whether or not Whitewater caused a loss to Madison. I stated that, as far as I am concerned, there is a clear cut loss. I also stated that any attempt to extract Whitewater as one entity from the rest of the McDougal controlled entities involved in the alleged check kite will distort the entire picture. I further pointed out that I would produce the answers that were available, but that I would not facilitate providing "the people at the top" with the "politically correct answers just to get them off the hook".

- She asked questions about the specifics of the checks going through the Whitewater account. I stated that it appeared that the majority of the checks written out of the Whitewater account during the window time frame were going to other financial institutions to make loan payments. I also said that the referral focused only on a short time frame, but that if that same research were conducted for a two year period, it was my belief that the losses to Madison from the Whitewater account alone would easily exceed $100,000, given that $70,000 had gone out of the account during the six month window time frame. I further added that the end loss result from the entire scam, using all 12 companies/entities, would be hundreds of thousands of dollars in what were essentially unauthorized loans.

- I stated that if she wanted me to tell her, unequivocally, that Whitewater didn't cause a loss, I could not do that. I could only reiterate the allegations contained in the referral, which are based on fact, and that it is my opinion and belief that Whitewater did, in fact, cause a loss to Madison because of the amount of the unauthorized loans that McDougal made, through the check kite, to entities in which he was a primary party and beneficiary. I also pointed out that this ultimately benefited his business partners - the same business partners that knew they had real estate ventures that were not cash flowing, but that also knew their mortgages and/or notes were somehow being paid. I pointed out that these business partners are intelligent individuals, the majority of them being attorneys, who must have concluded that McDougal was making the payments for their benefit. I posed the question to her, if you know that your mortgages are being paid, but you aren't putting money into the venture, and you also know the venture isn't cash flowing, wouldn't you question the source of the funds being used to your benefit? Would you just assume that your partner was making these multi-thousand dollar payments out of the goodness of his heart? Wouldn't you wonder even more if you knew that your business partner's main source of income, an S&L, was in serious financial difficulty, which by 1985 was fairly common knowledge?

We discussed the initiation of the MGSL investigation, and how evidence of the check kite came to light. I explained that after reviewing a series of checks, all of which noted "loan" in the memo field, I discerned a pattern that looked like a check kite, and proceeded to trace funds through the various accounts, which is a standard investigations procedures. The end result was the referral alleging a massive check kite. I also advised April that I had been told by both the U.S. Attorney's office (Mac Dodson), and the FBI (Steve Irons) that this was a highly prosecutable case of check kiting. I also told her that I disputed the declination of that referral on the basis of "insufficient information". She commented that "that's what Grand Juries are for", and I pointed out that it generally seemed to be the policy of the U.S. Attorney to agree to open a case before they would start Grand Jury proceedings. I also noted that I found the treatment of that particular referral by the Justice Department to be highly unusual. This concluded our discussion.

Thrift investigators criticize effort to streamline RTC

Some say new rule putting them under charge of agency's civil lawyers raises conflict issue.

By MIKE McGRAW
and JEFF TAYLOR
Staff Writers

A new rule that lawmakers hoped would give the government more time to scrutinize Madison Guaranty Savings & Loan — the failed Arkansas thrift at the center of the Whitewater scandal — is drawing heavy flak from some thrift investigators.

Last month, the Resolution Trust Corp. received a two-year extension on the time it has to file civil fraud actions against failed savings and loans. The reform, which was opposed by the Clinton administration last year, applies to all failed thrifts but takes on added urgency because of the Whitewater investigation.

Without the extension, the RTC would have had to file civil charges against Madison Guaranty by Feb. 28.

But as part of that broad effort to streamline the RTC, criminal investigators this week began reporting to a branch of the agency that has been accused by investigators in Kansas City and elsewhere of stalling the Whitewater investigation.

For the first time, the RTC's criminal investigators, including those currently investigating Madison, are under supervision of lawyers in the agency's Professional Liability Section.

The change was intended to correct RTC management problems raised in recent congressional hearings, but several agency sources claim that the PLS comprises the "political arm" of the RTC. "This is the death of the RTC investigations division," warned one senior agency criminal investigator.

Other RTC sources say the move at least is a potential conflict of interest. They point out that a PLS lawyer pursuing a civil case against a thrift official could be in the position to send a criminal referral to the Justice Department if the civil case were not settled — an action some RTC lawyers viewed as a form of extortion.

Tom Burnside, a former PLS lawyer now in private practice in St. Louis, said traditionally there was a clear wall separating criminal investigators from the civil lawyers at PLS.

Anne Freeman, an RTC spokeswoman in Washington, said agency officials would not respond to claims that lawyers in the Professional Liability Section might be in a position to impede investigations for political reasons.

The dispute between investigators and PLS lawyers, who pursue civil claims against officials of defunct thrifts, came to a head recently when Kansas City investigators claimed the PLS lawyers and others pressured them to alter or suppress findings in the Whitewater case.

[illegible]

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

[illegible]

March 14, 1994

The Honorable Roger Altman
Chief Executive Officer
Resolution Trust Corporation
Member, Thrift Depositor Protection Oversight Board
801 17th Street, N.W.
Washington, D.C. 20434

Dear Mr. Altman:

You have previously been invited by letter dated March 3, 1994 to appear before the Committee on Banking, Finance and Urban Affairs for the purpose of the semiannual appearance of the Thrift Depositor Protection Oversight Board. I expect that Republican members of the Committee may use the opportunity of the Oversight Board hearing to pursue extraneous matters, including Madison Guaranty Savings and Loan. Any questions regarding Madison Guaranty Savings and Loans, matters that are the subject of pending investigations by Special Counsel Fiske or other law enforcement authorities, or other extraneous matters not specifically set forth in section 21A(k)(6) of the Federal Home Loan Bank Act or the March 3, 1994 invitation letter will not be considered pertinent at the hearing and need not be answered by you.

I was the primary sponsor of the provision to require the Oversight Board to appear on a semiannual basis so that the Committee could oversee its activities. The recent appropriation of funds to the RTC, the management reforms, and FDIC-RTC transition measures required under Public Law 103-24 clearly require the complete and full attention of the Committee in order to have a successful Oversight Board hearing. I intend to keep the hearing so focused.

I look forward to your March 24, 1994 appearance.

Sincerely,

Henry Gonzalez

Henry B. Gonzalez
Chairman

Monday, March 14, 1994 - 4:15 p.m.

Metzenbaum Statute of Limitations Amendment

The amendment seeks to enact changes in existing statutes of limitation that apply to claims brought by the RTC and the FDIC. The amendment is supported by the FDIC. The provisions of the amendment are as follows:

(1) The statute of limitations would not begin to toll so long as the defendant in question retains control of the institution (doctrine of adverse domination adopted by some circuit courts of appeal);

(2) In cases where states have adopted extremently restrictive definitions of gross negligence, the amendment would make a federal definition of gross negligence applicable (in order that the state by virtue of its restrictive definition does not restrict the ability of the RTC or the FDIC to bring suit); and

(3) Would limit insurance company abilities to enforce regulatory exclusion clauses (director and officer liability)

HENRY B. GONZALEZ, TEXAS, CHAIRMAN

STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

ONE HUNDRED THIRD CONGRESS

2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A. LEACH, IOWA
BILL MCCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. MCCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

March 18, 1994

Mr. Roger Altman
Interim Chief Executive Officer
Resolution Trust Corporation
801 17th Street, N.W.
Washington, D.C. 20434

Dear Mr. Altman:

As you may know, on March 8, 1994, I wrote the RTC requesting information for the Banking Committee's upcoming RTC oversight hearing. (attachment A) On March 11, 1994, the RTC responded and held to the position that only the Chairman of a Committee would be permitted access to agency documents. At issue in this situation is who speaks for Congress in the context of Congress' right and obligation under Article I of the Constitution to conduct oversight of the Executive Branch.

As you also likely know, Chairman Gonzalez, in what may be an effort to bolster the executive's position, wrote to the RTC on March 10, 1994, to suggest that the agency deny the document request and wrote to you separately on March 14, 1994, to state that you need not answer questions concerning Madison Guaranty Savings and Loan at the upcoming hearings. (attachments B and C) The Chairman's letter contains an implicit and unprecedented philosophical assertion that not only does a Chairman have the exclusive right to obtain documents from the Executive Branch but the power to deny such documentation to other Members and the right even to deny inquiries about issues clearly germane to the subject of hearings.

So that there is no misunderstanding, the RTC Oversight hearing is scheduled under requirement of law, Section 21A(k)(6) of the Federal Home Loan Bank Act (12 U.S.C. §1441a(k)(6)), and there is no provision in that law for exceptions to Congressional oversight that relate to a single state and its institutions. The U.S. Congress wrote a law applicable to all 50 states, not 49, and the oversight of our laws applies throughout this country. Just as in America no individual is above the law, no state is beyond its reach. Just as no individual is entitled to violate the law but in ignorance of it, no person, even the Chairman of a Congressional Committee, is entitled after the fact to be sole interpreter of a law's meaning or serve as a censor to another Member's inquiries. Indeed, no Member of Congress has the right or power to deny relevant information to another Member.

In addition to the Federal Home Loan Bank Act, the Committee's role in oversight is buttressed by the House Rules as modified under the Legislative Reorganization Act of 1970. I refer you to paragraph 2 of House Rule X providing for the Committee's "General Oversight Responsibilities" which states:

> "(b)(1) Each standing committee ... shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that committee and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the congress and whether such programs should be continued, curtailed, or eliminated."

Separate procedural rules may apply to an investigative hearing, but such rules do not apply in this case. The statutorily mandated RTC hearing is an oversight hearing in accordance with Rule X. Any reliance on investigative hearing procedures to deny information to Committee Members is misplaced. Any information requests or questions by Members related in any manner to RTC operations are authorized under the Committee's oversight authority. It is also expected that in answering questions witnesses will either assert appropriate privileges or fully respond with answers to the questions. See, 2 U.S.C. §192, Sinclair v. United States, [illegible] 263 (1929)) and such answers shall be truthful. (See, 18 U.S.C. §1001, U.S. v. Poindexter, 951 F.2d 369 (D.C. Cir. 1991))

Despite the Chairman's letters, the existence of a Special Counsel appointed in the Madison case cannot be used as a rationale to avoid providing oversight information to Congress. In a meeting on March 17, 1994, the Minority received assurances from Special Counsel Fiske that he did not object to the disclosure of copies of documents to Congress, other than White House documents. Mr. Fiske also indicated that the Special Counsel would not impede in any manner Executive Branch testimony.

Moreover, the precedent of the Banking Committee is clear with respect to the relevance of specific questions on specific institutions. On numerous occasions at past RTC oversight hearings, questions related to individual institutions have been asked by Committee Members, including the Chairman, and answered by witnesses. It should be noted that in fact the Committee's invitation letter of March 3, 1994, to Treasury Secretary Bentsen

Mr. Roger Altman
Page [illegible]
March 18, 1994

for purposes of the RTC oversight hearing seeks testimony and documents related to a specific institution, Homefed Savings.

The Chairman's letters are open to an interpretation that would imply the possibility that they have been requested by the Administration to bolster its efforts to deny information to the Congress concerning Madison. If such is the case, at issue would be a collusive effort by the Majority party and the Congress to aid and abet in undermining the Executive Branch's obligation to provide information related to legitimate Congressional oversight.

You are hereby put on notice that you must address your obligations to respond to legitimate information requests and legitimate inquiries on the subject of the hearing as required by the law and the Constitution, not in conjunction with an arbitrary and capricious desire of a Chairman to deny discussion on a subject the Executive branch would rather not forthcomingly address. The Minority party, in sum, has a baseline request for full disclosure and a baseline assumption that officials of the U.S. government will comply with the law. It is assumed that any official appearing before the Banking Committee, or any other committee, will abide by the Code of Government Ethics for Federal employees to "Uphold the Constitution, laws, and regulations of the United States and all governments therein and never be party to their evasion." Pub. L. No. 96-303, July 3, 1980, 94 Stat. 855

Sincerely,

James A. Leach
Ranking Member

cc: The Honorable John P. LaWare
The Honorable Andrew C. Hove
The Honorable Henry B. Gonzalez

ATTACHMENT A

[illegible]

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

[illegible]

March 8, 1994

John E. Ryan
Deputy Chief Executive Officer
Resolution Trust Corporation
801 - 17th Street, N.W.
Washington, D.C. 20434

Dear Mr. Ryan:

I am writing in reference to the House Banking Committee's statutorily mandated, semi-annual RTC Oversight Hearings which are scheduled for the end of March. As you know, a major area of oversight at these hearings will be the failure and resolution of Madison Guaranty Savings and Loan, Little Rock, Arkansas. Madison was taken over by federal regulators in March of 1989 and resolved by the Resolution Trust Corporation (RTC) in November, 1990.

As ranking Member of the House Banking Committee, I request that the RTC provide the Committee with access to all documents related to madison and its subsidiaries. Members of the Committee will need access to this material to prepare for the upcoming hearings and to perform their ongoing oversight responsibilities. (As I am sure you are aware, documents provided to the Ranking Member are available to the Committee as a whole under the Committee rules.) The documents requested would include, but not be limited to, administrative files, examination reports, interoffice memorandum, notes and minutes of meetings (including telephonic meetings), correspondence, electronic mail, and agreements the RTC entered into with private sector contractors during the resolution of Madison. In addition to documents in possession at RTC-Washington, I request access to all documents related to Madison held at RTC field offices. Furthermore, please provide the names and titles of all RTC employees involved with the disposition of Madison.

Please have your staff contact Joe Seidel at (202)226-3241 or Mike McGarry at (202)225-[illegible] to discuss arrangements to review the aforementioned documents as soon as possible. As you are aware, I have previously requested access to these documents for use in performing our

Mr. Ryan
Page Two
March 8, 1994

Committee functions. My final letter concerning that request was forwarded yesterday, March 7, 1994. If the agency decides to comply with that request, we will, of course, consider this request satisfied as well.

I appreciate your assistance and look forward to your cooperation.

Sincerely,

James A. Leach
Ranking Member

JAL:jls

cc Henry B. Gonzalez
Chairman
Committee on Banking Finance
and Urban Affairs
2413 Rayburn House Office Building
Washington, DC 20515

ATTACHMENT B

TATIVES
BAN AFFAIRS

ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

March 10, 1994

John E. Ryan
Deputy Chief Executive Officer
Resolution Trust Corporation
801 17th Street, NW
Washington, D.C. 20434

Dear Mr. Ryan:

You have recently received letters from Congressman Jim Leach requesting access to all documents you possess concerning Madison Guaranty Savings and Loan and its subsidiaries. The March 8, 1994 letter states that, "Members of the Committee will need access to this material to prepare for the upcoming [RTC oversight] hearings and to perform their ongoing oversight responsibilities."

This letter is to inform you that the Banking Committee is not conducting an investigation of Madison Guaranty Savings and Loan or related matters at this time. Mr. Leach's requests do not constitute a Rule X or Rule XI investigation under the House Rules. A hearing does not provide the basis for a member of Congress to obtain documents to which he or she is not otherwise entitled. I will request any information needed by the Committee in order to prepare for any Thrift Depositor Protection Board oversight hearings pursuant to section 21A(k)(6) of the FHLB Act and will make it available to members of the Committee, as appropriate.

I trust that you will give Congressman Leach's requests the consideration they merit and extend to him the same courtesies you would extend to any member of Congress.

Sincerely,

Henry Gonzalez

Henry B. Gonzalez
Chairman

ATTACHMENT C

ATIVES
…FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

March 14, 1994

The Honorable Roger Altman
Chief Executive Officer
Resolution Trust Corporation
Member, Thrift Depositor Protection Oversight Board
801 17th Street, N.W.
Washington, D.C. 20434

Dear Mr. Altman:

You have previously been invited by letter dated March 3, 1994 to appear before the Committee on Banking, Finance and Urban Affairs for the purpose of the semiannual appearance of the Thrift Depositor Protection Oversight Board. I expect that Republican members of the Committee may use the opportunity of the Oversight Board hearing to pursue extraneous matters, including Madison Guaranty Savings and Loan. Any questions regarding Madison Guaranty Savings and Loans, matters that are the subject of pending investigations by Special Counsel Fiske or other law enforcement authorities, or other extraneous matters not specifically set forth in section 21A(k)(6) of the Federal Home Loan Bank Act or the March 3, 1994 invitation letter will not be considered pertinent at the hearing and need not be answered by you.

I was the primary sponsor of the provision to require the Oversight Board to appear on a semiannual basis so that the Committee could oversee its activities. The recent appropriation of funds to the RTC, the management reforms, and FDIC-RTC transition measures required under Public Law 103-24 clearly require the complete and full attention of the Committee in order to have a successful Oversight Board hearing. I intend to keep the hearing so focused.

I look forward to your March 24, 1994 appearance.

Sincerely,

Henry Gonzalez

Henry B. Gonzalez
Chairman

RECEIVED
18 MAR

15944

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 17, 1994

MEMORANDUM TO: Ellen Kulka

MEMORANDUM FROM: Peter Knight

SUBJECT: Madison Guaranty
Senator D'Amato's Outstanding Inquiries

I received a call today from Senator D'Amato's staff. They want to know when to expect a response on two outstanding inquiries they have made. I want to give them an expected date of reply that can be met. Below are the inquiries.

On January 31, 1993 we met with the Senator's staff and were requested to provide them with a chronology of events reflecting RTC's involvement with Madison.

On February 8, 1994 Senator D'Amato wrote the RTC requesting the number of times Interim CEO Roger Altman had recused himself from matters before the RTC, a summary of grounds that led to the recusal decision, and the RTC's policies pertaining to recusals (copy attached).

Thank you.

801 17th Street, N.W. Washington, D.C. 20434

[illegible]

RESOLUTION TRUST CORPORATION
OFFICE OF GOVERNMENTAL RELATIONS
CORRESPONDENCE REFERRAL

Document: 12765 Document Date: 94/02/08 Due Date: 94/02/24
Input Date: 94/02/09

NAME: D'Amato, Honorable Alfonse M.
Ranking Republican
Committee on Banking, Housing, and
ADDRESS: Urban Affairs, United States Senate
Washington DC 20510

Copies To:
Standard Dist.
Ellen Kulka
Krista Kauper
OGC ~~Staff~~
OGC [illegible]

Synopsis: QUESTIONS RE THE NUMBER OF TIMES THE RTC [CEO] HAS [RECUSE]D HIMSELF FROM INVOLVEMENT IN RTC MATTERS, A [SUMMARY] OF THE GROUNDS LEADING TO RECUSAL DECISION, RTC [POLICY] RE RECUSALS. [IMPORTANT]

Action: Prepare for Peter E. Knight's signature

OLA Contact: Neal E. Logue (202) 416-7099

INSTRUCTIONS

Author of the draft response and person(s) reviewing response should sign this routing sheet. Please forward draft response by DUE DATE with this completed form to OLA (Renee Kelly-Room 1062A-801 17th Street) with WordPerfect disk or E-mail (Renee Kelly@ OLA@ RTCDC). Routing sheet may be faxed to (202)416-4413

* This form is necessary for review purposes *

Assigned To: Art Kusinski
OLA-OAC John Lynn - Contracts

Date:
94/02/09

AUTHOR: ______________________ PHONE: ______________

REVIEWED BY:	DATE IN	DATE OUT	REVIEWED BY:	DATE IN	DATE OUT

[illegible]

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 8, 1994

Mr. Peter Knight
Director
Office of Governmental Relations
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear Mr. Knight:

Pursuant to your conversation with Doug Nappi, of the Banking Committee, please provide the answers to the following questions:

1) The number of times that an RTC Chief Executive Officer has recused himself from involvement in matters before the RTC;
2) A summary of the grounds that led to the recusal decision; and
3) The RTC's policies or guidelines pertaining to recusals;

If you have any questions regarding this request, Mr. Nappi can be reached at (202) 224-3737.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
Ranking Republican Member

AMD:sb

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN

PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON

ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 18, 1994

Mr. Roger Altman
Interim Chief Executive Officer
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear Mr. Altman:

Please provide the following:

1) A copy of any review that the RTC prepared, or had prepared, pertaining to potential conflicts-of-interest that may have existed in connection with the Rose Law Firm and Madison Guaranty;
2) Copies of all recusal letters and ethics agreements entered into by Albert Casey and yourself.

Please provide these materials as soon as possible, and as they become available for delivery. If you have any questions regarding this request, Mr Nappi can be reached at (202) 224-3737.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
Ranking Republican Member

AMD:sb

[illegible]

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 18, 1994

Mr. Roger Altman
President and
Interim Chief Executive Officer
Resolution Trust Corporation
801 17th Street, N.W.
Washington, D.C. 20434

Dear Mr. Altman:

Please provide to my staff copies of all the documents pertaining to Madison Guaranty Savings and Loan ("Madison"), including all subsidiaries of Madison, that are currently in the possession, or subject to the control, of the Resolution Trust Corporation ("RTC"). In addition, please forward the names and titles of all RTC employees that are involved in any review or investigation of the Madison Guaranty matter. Should the RTC refuse to release any documents, please provide, in writing, a summary index of documents that the RTC refuses to provide as well as an explanation of the grounds alleged for that refusal.

Please forward this information to Douglas Nappi, at the Senate Committee on Banking, Housing and Urban Affairs, 534 Dirksen, Washington, DC 20510. Mr. Nappi can be reached at 202-224-1577.

Thank you in advance for your assistance.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
United States Senator

AD:dn

U.S. SENATOR
Al D'Amato News Release
NEW YORK
Contacts: Washington • Frank Coleman • 202/224-6498 New York • Zenia Mucha • 212/736-3866

FOR IMMEDIATE RELEASE:
Thursday, March 3, 1994

CONTACT: Frank Coleman
(202) 224-6498

REPUBLICANS DEMAND HEARING ON SECRET WHITE HOUSE BRIEFING

D'AMATO, DOLE LEAD 43 IN BLOCKING CLINTON 'PAL' FOR FDIC POST

WASHINGTON -- U.S. Senator Alfonse D'Amato (R-NY) and Minority Leader Robert Dole (R-KS) today announced Republicans are blocking the nomination of Ricki R. Tigert to head the Federal Deposit Insurance Corporation (FDIC) until the Banking Committee holds hearings on the secret Whitewater briefing given by the acting head of the Resolution Trust Corporation (RTC) to top White House staffers.

The GOP position was outlined in a letter to Majority Leader George Mitchell, signed by 43 GOP Senators, citing the "heads up" briefing acting RTC head Roger Altman gave about the agency's supposed independent investigation of Madison/Whitewater to White House Counsel Bernard Nussbaum, Deputy Chief of Staff Harold Ickes, Hillary Clinton's Chief of Staff Margaret Williams and Treasury General Counsel Jean Hansen.

Calling the meeting "highly improper," the letter said it raised serious questions about the alleged independence of the RTC's investigation and the interference of senior White House political operatives in a regulatory matter.

"The American people deserve to have confidence that the RTC conducts its business in an independent and impartial fashion," the Senators wrote. "A Congressional hearing is an appropriate forum in which to examine the important ethical and regulatory issues raised by the Altman-White House meeting."

The disclosure of the secret "heads up"--as Altman called it--about the status of the agency's investigation into the Madison Guaranty collapse came at an RTC oversight hearing last Thursday in the Senate Banking Committee.

Despite all evidence to the contrary, the White House has continued to maintain that the briefing was proper and that the same briefings were provided to Congress and the press.

Forty-one Senators is the number needed to effectively prevent action in the chamber.

A copy of the text of the letter is attached.

-fc030294-

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN

PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON

ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
[illegible]
[illegible]
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS
WASHINGTON, DC 20510-6075

March 2, 1994

The Honorable George J. Mitchell
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

We are writing to inform you that we will object to any agreement seeking consent to proceed to the nomination of Ricki R. Tigert, President Clinton's nominee to chair the Federal Deposit Insurance Corporation, until the Senate Banking Committee has an opportunity to thoroughly examine the Resolution Trust Corporation's handling of its civil investigation into Madison Guaranty Savings and Loan.

As you know, the Acting Chief Executive Officer of the RTC, Roger Altman, recently disclosed that he sought a meeting with White House officials to give them a "heads-up" on the RTC's investigation. Needless to say, such a meeting is highly improper and raises very real questions about Mr. Altman's impartiality and the alleged independence of the investigation. Specifically, why were Harold Ickes and Margaret Williams present, in addition to White House Counsel Bernard Nussbaum? According to the Washington Post, Mr. Ickes the Deputy Chief of Staff, is responsible for Whitewater "damage control". Ms. Williams, Chief of Staff for Mrs. Clinton, had previously participated with Mr Nussbaum in searching Vincent Foster's office and sending all or some of the materials to David Kendall of Williams and Connally who is representing the President and Mrs. Clinton.

We believe public hearings are required to explore these and other questions involving the attendance of political operatives at the White House in briefings by the head of a supposedly independent agency on matters that have nothing to do with the Executive Office of the President.

We regret having to delay the Senate's consideration of Ms. Tigert's nomination. Nevertheless, the American people deserve to have confidence that the RTC conducts its important business in an independent and impartial fashion. A Congressional hearing is an appropriate forum in which to examine the important ethical and regulatory issues raised by the Altman-White House meeting.

Sincerely,

4/1-2451

HENRY B. GONZALEZ, TEXAS, CHAIRMAN
STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

RECE
MAR 1 27 PM
OFF

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

**** FACSIMILE ****

DATE: **March 1, 1994**

TO: **Mr. Art Kusinski**

FROM: **Congressman James A. Leach**

Number of Pages to Follow: **5**

Enclosures and the orginal letter are being sent via mail.

Ellen - FYI. I've put in a call to Treasury to get a reading from them on this. I'll keep you posted. Any thoughts or instructions? Seems to me that RTC shouldn't get too ahead of the curve on this one!
Art

HENRY B. GONZALEZ, TEXAS, CHAIRMAN

STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

March 1, 1994

Mr. Bernard Nussbaum
Counsel to the President
The White House
Washington, D.C. 20500

Mr. Stephen Potts
Director
Office of Government Ethics
1201 New York Avenue, N.W.
Suite 500
Washington, D.C. 20005-3917

Ms. Jean Hanson
General Counsel
Room 3000
Department of the Treasury
Washington, D.C. 20220

Mr. Art Kusinski
Chief Ethics Officer
Resolution Trust Corporation
801- 17th Street, N.W.
Washington, D.C. 20434

Dear Messrs. and Madam:

On February 3, 1994, I wrote to the Interim CEO of the Resolution Trust Corporation (RTC), Mr. Roger Altman, asking that he seek appropriate counsel as to whether he should recuse himself from matters regarding Madison Guaranty Savings and Loan. As I noted in my February 3 letter to Mr. Altman: "...it would appear ethically questionable for a political appointee of the Department of Treasury to make decisions for an independent federal agency when the President may be implicated in enforcement and civil actions."

On February 23 I received a lengthy response to my letter which ended with the following sentence: "I trust this letter fully addresses your concerns" [see attached letters]. Regrettably, the letter did not fully address the concerns expressed in my letter of February 3. Moreover, it would appear that the concerns raised in my letter were confirmed when Mr. Altman testified last week before the Senate Banking Committee that he had entered discussions with

the White House on matters affecting the President's potential personal liabilities.

While it is dubiously credible to think Mr. Altman would have gone to the White House to discuss only the statute of limitations, in that a mere memo would have sufficed, it bears noting again the irony that it was Mr. Altman who on May 4, 1993, strongly recommended by letter to the Chairman of the House Banking Committee that the statute of limitations for civil lawsuits against S&L wrongdoers not be extended.

Mr. Altman's meeting with White House staff concerning the RTC's actions in the Madison case is an ethical umbrage. Even though Mr. Altman has now decided it proper to recuse himself from the Madison case, the issue at hand is whether his conduct violated federal ethics guidelines or strictures, as promulgated by the RTC. These guidelines are listed under 12 CFR § 1605.7 and include the following:

> "No employee shall engage in any action, which might result in, or create the appearance of ...
>
> (b) giving preferential treatment to any person;...
>
> (d) losing complete independence or impartiality;
>
> (e) making an RTC decision outside official channels; or,
>
> (f) adversely affecting the public's confidence in the integrity of the RTC."

Also, 12 CFR § 1605.10 states that an RTC "employee may not, directly, or indirectly, use or allow the use of information which is obtained as a result of his or her RTC employment but which is not available to the general public in order to engage in any financial transaction or to further a private interest."

In addition, another issue appears to be an abuse of the spirit of 5 U.S.C 3348. In a technical sense, this statute allows the President to name a temporary agency head to fill a vacancy until a nominee is confirmed by the Senate. In the event a nominee is rejected by the Senate or his/her name is withdrawn, 5 U.S.C. 3348 provides that the vacancy may be filled for not more than 120-days by an individual designated by the President.

In the case of Mr. Altman's appointment as interim CEO of the RTC, we have a situation where a political appointee of the Treasury Department has served as the head of an independent agency for approximately 13 months. To some, this circumstance leaves the

Page 3
March 1, 1994

impression that Mr. Altman's term of office might have been intended to coincide with the running of the statute of limitations for civil lawsuits which could affect the White House.

Now that the statute of limitations has been extended, a skeptic might wonder if further legal machinations will occur as a means of maintaining Mr. Altman's tenure as interim CEO of the RTC. After all, no nominee to head the RTC has been formally presented to the Senate since Mr. Tate withdrew his name from consideration on November 30, when he complained of gross mismanagement at the RTC.

It is my judgement that the RTC has had its independence compromised and that it is no longer sufficient for Mr. Altman to recuse himself from the Madison case. It is all too apparent that his shadow looms large at the agency and that his immediate resignation from all responsibilities at the RTC would appear to be the only ethical option at this time.

In addition, just as one party should not have requested the meeting, the other party should not have accepted it. In this regard, I hereby request a review of whether White House officials, Bernard Nussbaum, Margaret Williams, and Harold Ickes, violated any ethical guidelines. Here I would call your attention to the following White House guidelines:

3 CFR § 100.735-4 General standards of conduct.

> "(c) In all circumstances employees shall conduct themselves so as to exemplify the highest standards of integrity. An employee shall avoid any action, whether or not specifically prohibited by this subpart, which might result in, or create the appearance of:
>
> (1) Using public office for private gain;
>
> (2) Giving preferential treatment to any person;
>
> (3) Impeding Government efficiency or economy;
>
> (4) Losing complete independance or impartiality;
>
> (5) Making a Government decision outside official channels; or
>
> (6) Affecting adversely the confidence of the public in the integrity of the Government."

3 CFR § 100.735-8 Conflicts of interest.

> "(a) A conflict of interest may exist whenever an employee has a substantial or private interest in a matter which involves his duties and responsibilities as an employee. The maintenance of public confidence in Government clearly demands that an employee take no action which would constitute the use of his official position to advance his personal or private interest. It is equally important that each employee avoid becoming involved in situations which present the possibility, or even the appearance, that his official position might be used to his private advantage."

3 CFR § 100.735-21 General conduct prejudicial to the Government.

> "An employee shall not engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, or other conduct prejudicial to the Government."

With regard to the second of the above citations, it would appear self-apparent that "personal or private interest" would apply to issues of individual job security or promotion. In addition, with regard to the third, the adjective "dishonest" would presumably apply to the issuance of statements of fact that prove untrue. Here, I bring to your attention, Mr. Nussbaum's February 10, 1994 letter to Reps. Lightfoot, Wolf, and Istook. I would also ask that the possibility be probed that the meeting might have had the effect of being "prejudicial" to the government's case in attempts to recover taxpayer losses related to the failure of Madison Guaranty.

I would specifically request that the Office of Government Ethics and the Chief Ethics Officer of the White House, which I understand to be Mr. Nussbaum or his designee, formally review and provide me with a response as to whether the meeting between the three White House officials and Mr. Altman violated any guidelines of government ethics, regulations, or law. In particular, there is an implicit appearance that public officials dealt with the private matters of the President. In this regard, I would hereby request a list of any individuals who participated or attended at any point in the discussions and from each any notes or recordings of the meeting or meetings at the White House or elsewhere on this matter.

Please provide a full response to the issues raised in this letter regarding the White House as well as Mr. Altman by Monday, March 21, 1994. Thank you for your time and consideration of this matter.

Sincerely,

James A. Leach
Ranking Member

cc: Mr. Roger Altman
Interim CEO
Resolution Trust Corporation

cc Mr. Ryan
Ms. Kulka
Mr. Hinden

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

DRAFT
from Peter Knight
2/9/94

- response to the 41 Senators who signed the letter to Dep Secrety Altman

The Honorable Lauch Faircloth
United States Senate
Washington, D.C. 20510

Dear Senator Faircloth,

This is in response to your letter of February 8, 1994 concerning the RTC's efforts relating to possible civil litigation resulting from the failure of Madison Guaranty.

Your letter makes the statement that, "The RTC's inaction on the civil side is ....disturbing." I want to reiterate what I said in my letter of February 1, 1994, which is that the RTC "is conducting a thorough review of the failure of Madison." While your letter characterizes this as a "general response", I must point out that it is inappropriate for me to address at this time any specifics relating to this matter.

It is standard operating procedure not to discuss any matter relating to any institution that is under active consideration with respect to possible litigation. I am sure that you understand that to do otherwise could jeopardize the RTC's efforts to make civil recoveries on behalf of the American taxpayers.

While it would be inappropriate for me to provide any information relating to the status of our investigation or internal deliberations at this point, I can assure you that the RTC is prepared to make a full public accounting of the handling of civil matters under the purview of the RTC when it is appropriate to do so.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN
PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON
ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 8, 1994

Mr. Roger Altman
President Interim and
Chief Executive Officer
Resolution Trust Corporation
801 17th Street N.W.,
Washington, D.C. 20434

Dear Mr. Altman:

The RTC has acknowledged that the statute of limitations for any civil action arising from the failure of Madison Guaranty will run out on February 28. After February 28, the RTC will not be able to recover any more of the $47 million the taxpayers were forced to pay to close Madison.

The RTC took over Madison in 1989. Presumably, the RTC has thorough knowledge of the institution, the reasons for its failures and the individuals and activities that contributed to its demise. The RTC made a criminal referral to the Justice Department perhaps as early as October, 1992 based on its extensive information and investigation.

The RTC's inaction on the civil side is therefore even more disturbing. With the civil statute of limitations about to run out, the RTC must take action immediately. Unless the RTC takes actions, the rights of the American people to justice and financial recovery will be forfeited to a legal technicality.

Your February 1 letter offered assurances "that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison." Moreover, you stated that the RTC "will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations."

Beyond this general response, we are seeking specific answers to the following questions:

- ♦ What is the RTC doing to obtain voluntary agreements to extend the statute of limitations from all potential defendants in the Madison/Whitewater matter beyond February 28, 1994?

- In the event the RTC cannot obtain tolling agreements, will the RTC file appropriate civil claims against all individuals whom the RTC has reasonable cause to believe may be liable to the United States prior to February 28, thereby tolling the statute and allowing time for refinements to the original complaint?

- Will the RTC provide us with a complete report on the status and scope of its "thorough review" as soon as possible?

Time is of the essence. The RTC has had years to investigate Madison Guaranty; it should have complete knowledge of the situation and adequate legal foundation for any civil suits. It has only weeks left to act and it should do so without further delay.

We must respectfully request that you respond fully and promptly to this letter.

Sincerely,

Alfonse D'Amato

Don Nickles

Trent Lott

Strom Thurmond

Connie Mack

Nancy Landon Kassebaum

Richard G. Lugar

Jon Kyl

Conrad Burns

Dan Coats

Larry Craig

Chuck Grassley

Dirk Kempthorne

Bob Smith

Slade Gorton

John McCain

Jesse Helms

Larry Pressler

Kit Bond

Jim Jeffords

Ted Stevens

Mitch McConnell

Malcolm Wallop

Pete V. Domenici

Orrin Hatch

John Warner

Bob Packwood

15973

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

I thought you might be interested in the attached.

Sincerely,

Jim Leach
Member of Congress

15974

HENRY B. GONZALEZ, TEXAS, CHAIRMAN
STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

February 3, 1994

Mr. Roger C. Altman
Interim CEO
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear ~~Mr.~~ Altman:

I am in receipt of your February 1, 1994 response to the letter initiated by Senate Republican leadership concerning Madison Savings and Loan and I am pleased to learn that the RTC "will vigorously pursue all appropriate remedies" with regard to Madison's failure. It seems self-apparent that in order for the RTC to pursue vigorously all remedies it must have all relevant information at its disposal. Accordingly, I urge the RTC to seek and review all Whitewater Development Corporation documents turned over by the White House to the Justice Department.

In its investigation of Madison, the Minority has uncovered links between Madison and Whitewater, some of which may have contributed to the thrift's failure. Not only did James and Susan McDougal hold significant ownership interest in both entities (approximately two thirds in Madison and one half in Whitewater), but the other joint owners of Whitewater (Bill and Hillary Clinton) appear to have benefited directly and indirectly from the application of Madison resources. [See the attached memo.]

If the White House chooses to use the Justice Department to shield Whitewater documents not only from the public and Congress, but from other government agencies, such as the RTC, which have legitimate public law enforcement responsibilities, it is hard to believe a responsible resolution of the issues involved can be made by regulatory authorities.

I have high regard for your personal integrity, but as you know, from the beginning, it has been an awkward situation to have a presidentially appointed and confirmed officer of the Treasury Department also head an independent federal agency, the Resolution Trust Corporation (RTC). When this prospect was first suggested at the beginning of the Clinton Administration, it did

not strike the Minority as overly unreasonable for a month or two given the fact that no RTC head had been selected.

However, it has been over a year since the Administration has been in office and it can only be described as structurally unseemly for a political appointee of an Executive branch department to make what are in effect, law enforcement decisions for an independent federal agency as they may touch upon the President.

Accordingly, I would urge that you request from the Department of Treasury's General Counsel and Ethics Office advice as to whether you, as interim CEO of the RTC, are obligated to recuse yourself from any decisions concerning the resolution of Madison Guaranty. Just as the special counsel law was designed to relieve the Attorney General from an ethical dilemma of being both chief law enforcement officer for the nation and chief legal advisor to the President in circumstances when the President or a high level Administration officer is the subject of investigation, so it would appear ethically questionable for a political appointee of the Department of Treasury to make decisions for an independent federal agency when the President may be implicated in enforcement and civil actions.

In this regard, it should be clear that the issue is not whether a presidentially appointed official can oversee an investigation involving the President. Rather the issue is that officials with this responsibility should be confirmed for the job with that particular accountability. As you will recall it was a political appointee confirmed by the Senate that issued a cease and desist order for engaging in conflicts of interest against the son of a former President.

As you know, despite your strong letter to the Chairman of the House Banking Committee recommending against extension, Congress last year extended the statute of limitations for civil lawsuits brought against S&L wrongdoers. As you pointed out in your most recent letter, this extension "has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution." Given, however, the impending running of the statute of limitations for certain kinds of actions, time is clearly of the essence for the RTC to make judgments about civil accountability in the failure of Madison.

Finally, I would like to reiterate my request, pursuant to Rules X and XI of the House Rules for all documents related to Madison Guaranty Savings and Loan, Little Rock, Arkansas. As you know,

on December 9, 1993, I wrote the RTC requesting access to all documents related to Madison Guaranty and its subsidiaries.

House and Committee Rules, House practices, and judicial precedent support the proposition that the Ranking Minority Member is the functional counterpart to the Chairman for Committee action. This being the case, a request for documents made by the Ranking Minority Member has parallel standing with a request made by the Chairman of the Committee. The Ranking Minority Member clearly has a voice in the process and is entitled to information that will enable the Ranking Minority Member to carry out his constitutionally mandated oversight responsibilities.

Therefore, the courtesy of a definitive reply to this document request is requested by 12 noon, Monday, February 7, 1994. On this matter, it is urged that you also consult with the Ethics Office as to the relevance of the previously discussed recusal issue.

Again, let me stress that to the degree a conflict situation may exist in this matter in no way reflects on your personal integrity. It is simply an awkward circumstance in contrast to a personal embarrassment.

Sincerely,

JAMES A. LEACH
Ranking Member

JAL:gp

Enclosure

MEMORANDUM

TO: Congressman Leach

FROM: Banking Minority Staff

RE: Madison Guaranty ("Madison")

In reviewing documents related to Madison in the possession of Minority Banking, we have come across material which may indicate direct payment of a loan of Bill Clinton's by Madison through a subsidiary.

Since the Minority's investigation is concerned with the possible misuse of federally insured funds to assist Whitewater and/or the former Governor, we thought we should share the following information with you.

SUMMARY

Based on documentary evidence available to the Minority, it appears that Madison Marketing served, in at least one instance, as a conduit of funds from Madison Guaranty to Whitewater and Governor Clinton. If this is correct, it would appear that insured funds from the failed Madison Guaranty were diverted and directly benefitted the Governor and his investment in Whitewater, a claim Clinton had denied.

DOCUMENTATION

* In 1983, Bill Clinton obtained a loan from Security Bank of Paragould, Arkansas for approximately $20,800 (loan #975-585, Bill Clinton). The money from this loan was used to pay off the remaining balance of a loan at Madison Bank and Trust of Kingston, Arkansas that was provided for the purpose of constructing a modular home on lot #13 at Whitewater Estates. The loan at Madison Bank was provided in 1980 to Hillary Clinton in the amount of $30,000.

* On November 8, 1985, James McDougal sent a letter accompanied by a check to Charles Campbell, Vice President of Security Bank of Paragould, for $7,322.42. The letter from McDougal states that the check is principal and interest payment on "Note #957-585, Bill Clinton." [Note: It appears that the loan number is a typographical error with the superimposing of numbers 5 and 7 in the first three digits.]

- The check McDougal enclosed with his letter to Mr. Campbell is a Whitewater Development Corporation check dated November 7, 1985. The loan number referenced on the memo portion of the check is "Note #975-585."

- According to the check ledgers for the Whitewater Development Corporation (WDC), the corporation's checking account had the following balances: $189.50 on 10-10-85; and, $12.49 on 10-31-85. However, in order to cover the payment of $7,322.42 on the Clinton loan, a deposit is recorded on November 8, 1985 in the amount of $7,500.00. The deposit is listed as coming from "Madison Marketing."

- A 1986 Federal Home Loan Bank Board exam gives the impression that Madison Marketing was largely a sham corporation used to divert federally insured resources to insiders. The exam notes that "Until 1986, Susan McDougal owned Madison Marketing." The report also states the following:

> "Madison Marketing is paid for doing all the general advertising for Madison Guaranty and most of the advertising for Madison Financial's land development projects. All of Madison Marketing's business is derived from Madison Guaranty or its subsidiaries. Since 1983 these payments total $1,532,000."
>
> "Given the evidence of Madison Marketing's invoices, it is questionable how much of these advertising services are actually performed by the firm. The actual work ... appears to be performed by others. It would appear that Madison Guaranty could have an employee perform similar work for much less money."
>
> "Mr. Latham [an officer of Madison] stated that Madison Marketing made no payments to any stockholders. This statement is false. As part of a test for such payments, the examiners discovered two remittances from Madison Marketing to Susan McDougal [a large stockholder of Madison] which total $50,000. This was a test, and there may be additional payments."

CONCLUSION

Given the above circumstances, it would appear that federally insured deposits (i.e., funds from Madison Guaranty through Madison Marketing), which, with the later failure of Madison became, in effect, taxpayer obligations, were transferred for the direct personal benefit of the former Governor.

The above payment also raises the question of whether Whitewater

was treated as an affiliate or related interest of Madison Guaranty and therefore subject to conflict of interest statutes. From a legal perspective, it could be argued that the McDougals' controlling interest in Madison Guaranty and their substantial ownership interest in Whitewater could qualify Whitewater as an "affiliate" of Madison Guaranty. Even if Whitewater is not considered a subsidiary, related interest, or affiliate of Madison Guaranty, such an extension of funds to a presumably "unaffiliated" entity would be very unusual and suspect.

It has been publicly reported, with respect to this loan repayment, that both Whitewater and the Clintons took a tax deduction related to interest paid on the same loan -- which the Clintons later recognized as improper double deduction after an article ran in the New York Times. What remains unclear is the larger question of whether the funds provided by Madison to reduce the Clinton's liability were proper or properly reported as income for income tax purposes.

As you know, we have received broad hints from within the RTC that the agency has had under review money transfers from Madison to Whitewater. We will not know whether this type of activity was more pervasive and part of a larger pattern unless, and until, the agency provides us the documents we have requested. If Madison provided any direct or indirect assistance to Whitewater, presumably half the value of such would redound to the advantage of each of the half owners. In any regard, the above money transfer underscores that then Governor Clinton had personal liabilities reduced by a payment from Madison. Such payment presumably carries ethical as well as tax implications and is part and parcel of the $47 to $60 million estimated taxpayer loss at Madison.

Attachments

Bank

P. O. BOX 670 PARAGOULD, ARKANSAS 72450
501-239-9571

September 30, 1983

Governor Bill Clinton
1800 Center
Little Rock, AR 72203

Dear Governor Clinton:

Enclosed is a copy of our check #12677 in the amount of $20,800.00 representing the proceeds of your note. The original was mailed to: Madison Bank & Trust, Kingston, Arkansas.

Sincerely,

Charles D. Campbell

Charles D. Campbell
Vice President

CDC/lam

Security Bank
P. O. BOX 670
PARAGOULD, ARKANSAS 72450

№ 12677

9-30 19 83

81-82/841

PAY

TO THE ORDER OF Madison Bank & Trust

$ 20,800.00

NOT NEGOTIABLE

Loan proceeds for Gov. Bill Clinton

[illegible]

JIM McDOUGAL

P. O. Box 1583

Little Rock, Arkansas 72203

[illegible] copy

November 3, 1985

Mr. Charles D. Campbell
Vice President
Security Bank
P. O. Box 670
Paragould, Arkansas 72450

Re: Note #957-585, Bill Clinton

Dear Mr. Campbell:

Enclosed is a White Water Development Corporation check for $7,322.42, representing principal payment of $5,000 and interest payment of $2,322.42, on the above note.

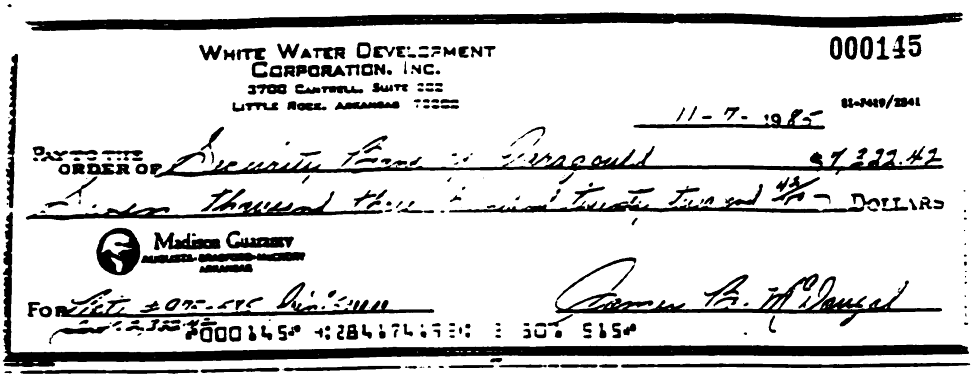
Thank you for your attention to this matter.

Sincerely,

Jim McDougal

Jim McDougal

JM/ss
Enc



WHITE WATER DEVELOPMENT
CORPORATION, INC.
3700 CANTRELL, SUITE [illegible]
LITTLE ROCK, ARKANSAS [illegible]

000145

11-7-1985

PAY TO THE ORDER OF Security Bank of Paragould $7,322.42

Seven thousand three hundred twenty two and 42/100 DOLLARS

Madison Guaranty
ARKANSAS

FOR [illegible]

James B. McDougal

⑈000145⑈ [illegible]

This is the
White
water [illegible]
ledger
Drawn on Madison

000143

BAL FOR'D	3	57
9-30-85 Int.		80
9-30-85 Stmt. Bal.	4	57

[illegible] 1985

TO [illegible] Loan

Dep 10-10-85

FOR [illegible]

DEPOSITS	285	13
TOTAL	289	50
AMOUNT THIS CHECK	100	00
BALANCE	189	50

000144

10-14- 1985

TO [illegible] Saunders, [illegible] County Collector

FOR [illegible] tax + penalty for [illegible]

DEPOSITS		
TOTAL		
AMOUNT THIS CHECK	177	60
BALANCE	11	90
10-31-85 Int.		59
10-31-85 Stmt. Bal.	12	49

000145

11- 7- 1985

TO Security Bank of [illegible]

[illegible] 11-8-85

FOR [illegible]

[illegible]

[illegible]

DEPOSITS	7500	00
TOTAL	7512	49
AMOUNT THIS CHECK	73[illegible]	42
BALANCE	196	07

22 p.

FILED

MAR 14 1991

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
SECOND DIVISION

[illegible] GUARANTY SAVINGS AND LOAN ASSOCIATION, a State Chartered Savings and Loan; MADISON FINANCIAL CORPORATION, a Wholly Owned Subsidiary of Madison Guaranty Savings and Loan Association, Plaintiffs,	
vs.	No. 88-1193
[illegible], an Arkansas Professional Association, and its directors James Alford, Michael Robinson, Gary Grey, Gaines Norton, Tim Gibson, Steve Humphries, Alan Duncan, Frank Butts, Marjorie Itzkowitz, John Does A, B, C, D Defendant.	

FIRST AMENDED COMPLAINT

COMES NOW, Plaintiffs, and for cause of action states as follows:

I

PARTIES

1. Plaintiff Madison Guaranty Savings and Loan Association (hereinafter, Madison Guaranty) is a state savings & loan association duly chartered under the laws of the State of Arkansas. Plaintiff Madison Financial Corporation (hereinafter, Madison Financial) is a state chartered corporation and wholly owned subsidiary of Madison Guaranty.

2. Defendant Frost & Company is a professional association or partnership of public [redacted] with its principal place of business in Little Rock, Arkansas, comprised of the following individual partners who are set forth as Defendants in paragraph 3.

3. Defendants James Alford, Michael Robinson, Gary Grey, Gaines Norton, Tom Gibson, Steve Humphries, Alan Duncan, Frank Butts, Marjorie Itzkowitz, John Does A, B, C, D are directors or

7. John Latham at all relevant times was the President and Chief Executive Officer of Madison Guaranty and a member of its Board of Directors; and a member of the Board of Directors and the Secretary of MFC.

8. Susan McDougal was at all relevant times wife of James B. McDougal, member of the Board of Directors of Madison Guaranty, President of Madison Real Estate, a division of MFC, and President of Madison Marketing, a service provider to Madison Guaranty and MFC.

9. Madison Real Estate was a real estate brokerage operation owned and operated by Madison Financial with its principal broker Susan McDougal.

10. Madison Marketing was an advertising agency through which Madison Financial and Madison Guaranty purchased all of its advertising for itself and MFC's real estate developments.

11. Jim, David and Bill Henley ("Henley Brothers") were real estate agents and/or developers for Madison Real Estate, who sold property and received substantial commissions and/or development fees from Madison Financial.

12. Frost & Company purported to serve as independent auditor of Madison Guaranty and its consolidated subsidiary Madison Financial for the years 1984 and 1985.

13. James D. Alford at all relevant times was the audit and accounting partner of Frost & Company in charge of the Madison Guaranty audit.

14. Federal Home Loan Bank Board ("FHLBB") is the primary federal regulator of Madison Guaranty. FHLBB has oversight of the Federal Home Loan Bank of Dallas which has direct supervisory responsibility for Madison Guaranty.

IV

LEGAL AND AUDITING FRAMEWORK

15. This action arises from Frost & Company's breach of its duty and agreement to provide professional services in that (a) defendant Frost & Company violated Generally Accepted Auditing Standards ("GAAS") in connection with its audits of, and opinions

FEDERAL HOME LOAN BANK BOARD
OFFICE OF EXAMINATIONS AND SUPERVISION

Name and Address of Institution MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION

1501 MAIN STREET, LITTLE ROCK, ARKANSAS 72203

District Number NINE Docket Number 7601

Examination as of (date) MARCH 4, 1986

Service Corporations and Other Affiliates Examined:

MADISON FINANCIAL CORPORATION

REPORT OF EXAMINATION

Prohibition of Disclosure or Release

This document is the property of the Federal Home Loan Bank Board and is furnished to the institution for its confidential use. Under no circumstances shall the institution, or any of its directors, officers, or employees, disclose or make this document or any portion of it public in any manner.

If a subpoena or other legal process is received calling for production of this document, the District Director - Examinations should be notified immediately. The attorney at whose instance the process was issued, and, if necessary, the court which issued the process, should be advised of the above prohibition, and referred to Part 505 of the General Regulations of the Federal Home Loan Bank Board.

Directors, in keeping with their responsibilities, should review this report thoroughly. This report should not be considered an audit report.

FHLBB Form 250

[redacted] of the commissions paid by Madison Financial to Madison Estate, which significantly derives all of its business from Madison Financial.

Many of the sales, which generated these commissions, were to McDougal-Henley Group members who are acting as straw buyers. Madison Guaranty essentially retained the risks of ownership on these transactions because it fully financed these sales including the cash sales commissions. Thus, Madison Guaranty's position deteriorated because it retained the same ownership risks as before, but paid cash fees to these individuals. In addition, fees paid through Madison Real Estate were used as down payments in some of the straw land purchases in an apparent attempt to disguise 100% funding of the purchase by Madison Guaranty and its subsidiaries.

Key

Let

Messrs. McDougal and Latham cited an April 24, 1985 letter from a Federal Home Loan Bank of Dallas Supervisory Agent as permission to pay real estate sales commissions to Madison Real Estate. However, this letter in part, asks that the Board of Directors review Insurance Regulation 571.7 which is cited above in this comment.

2. Madison Marketing

Madison Marketing is paid for doing all the general advertising for Madison Guaranty and most of the advertising for Madison Financial's land development projects. All of Madison Marketing's business is derived from Madison Guaranty or its subsidiaries. Since 1983 these payments total $1,537,000. Until February 1986, Susan McDougal owned Madison Marketing. During a portion of this time, it was a corporation which was incorporated by Lisa Aunspaugh, reportedly a close friend of Susan McDougal.

Mr. Latham stated that after February 1986, Madison Marketing became an entity "d/b/a (doing business as)" for Madison Financial and ceased to be a corporation. However, it is not registered as a "d/b/a" in the County records. Also, its checking account has never been recorded on the books of Madison Financial.

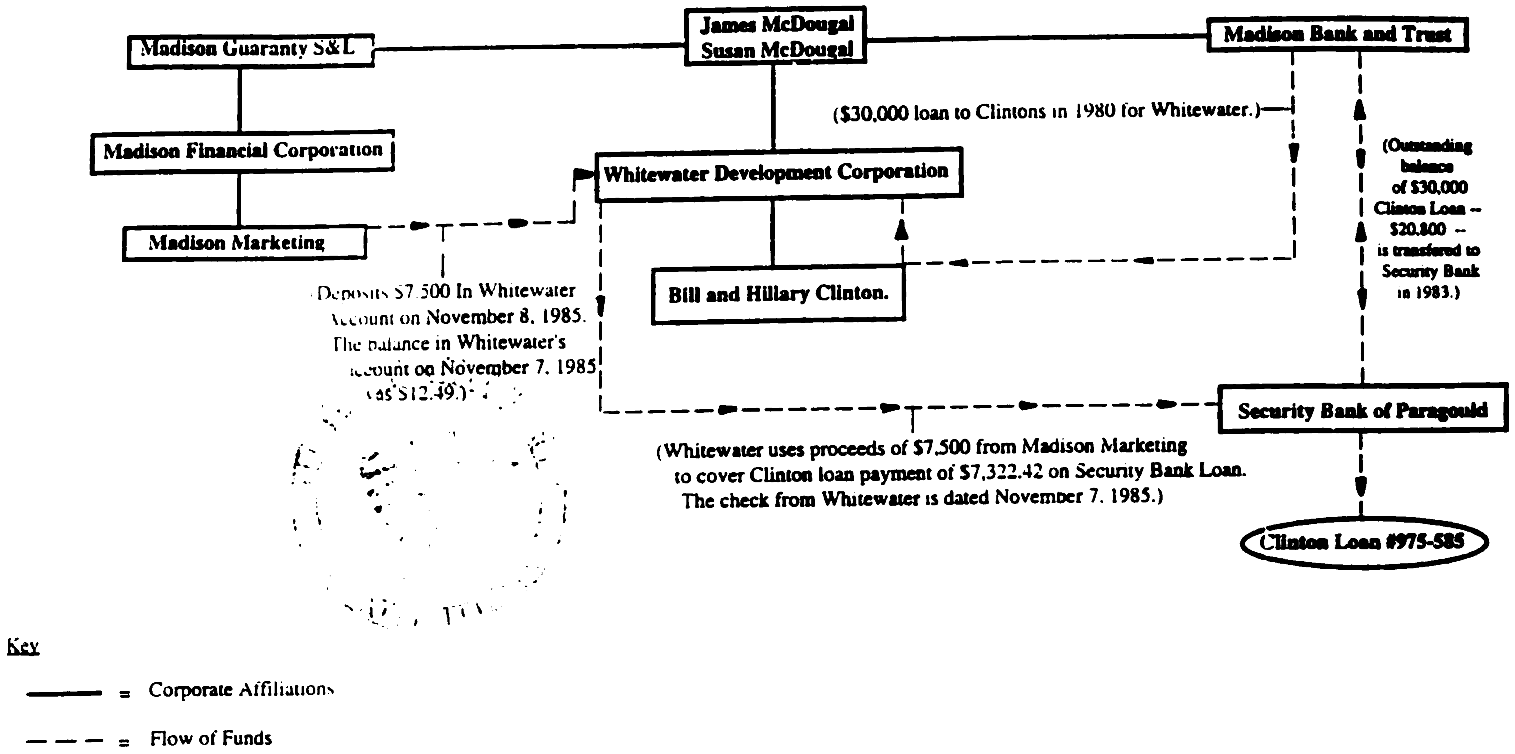
Given the evidence of Madison Marketing's invoices, it is questionable how much of these advertising services are actually performed by the firm. The actual work of advertising, such as the design and production of commercials and providing air time or newspaper space, appears to be performed by others. Madison Marketing apparently just pays the bills of other providers and adds a 15% fee of its own. Examiners estimated this fee to be approximately $200,000 since 1983. It would appear that Madison Guaranty could have an employee perform similar work for much less money.

X Mr. Latham stated that Madison Marketing made no payments to any stockholders. This statement is false. As a part of a test for such payments, the examiners discovered two remittances from Madison Marketing to Susan McDougal which total $50,000. This was a test, and there may be additional payments.

3. Designer's Construction

Designer's Construction performs construction work on some of the land development projects and on some of the property securing Madison Guaranty loans. In 1985 and to date in 1986, $247,000 was paid for work performed for Madison Guaranty and its subsidiaries. The amount of loan proceeds paid to Designer's Construction on work for third party borrowers is unknown. Designer's Construction appears to be a

Payment of Clinton Loan by Madison S&L Subsidiary


Madison Guaranty S&L
James McDougal
Susan McDougal
Madison Bank and Trust
Madison Financial Corporation
($30,000 loan to Clintons in 1980 for Whitewater.)
Whitewater Development Corporation
(Outstanding balance of $30,000 Clinton Loan -- $20,800 -- is transfered to Security Bank in 1983.)
Madison Marketing
Bill and Hillary Clinton.
Deposits $7,500 In Whitewater Account on November 8, 1985. The balance in Whitewater's account on November 7, 1985 was $12.49.)
Security Bank of Paragould
(Whitewater uses proceeds of $7,500 from Madison Marketing to cover Clinton loan payment of $7,322.42 on Security Bank Loan. The check from Whitewater is dated November 7, 1985.)
Clinton Loan #975-585
Key
= Corporate Affiliations
= Flow of Funds

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 7, 1994

The Honorable Jim Leach
Ranking Minority Member
Committee on Banking, Finance
and Urban Affairs
House of Representatives
Washington, D.C. 20515

Dear Representative Leach:

Interim CEO Altman has asked me to respond to your request for records pertaining to Madison Guaranty Savings and Loan contained in your letter of December 9, 1993. This response also pertains to the memorandum prepared by your staff entitled "Right of a Ranking Minority Member for Access to Agency Records," dated January 14, 1994 (Memorandum).

The Memorandum was in response to concerns which RTC staff raised at a meeting with Mr. Joseph Seidel, Minority General Counsel, and other members of your staff, including whether you were making your request in your individual capacity or on behalf of a committee or subcommittee of the Congress. As you may know from our discussions with your staff, the RTC is concerned that disclosure of different categories of information could constitute a waiver of one or more privileges to which the agency is entitled, or, result in the release of personal or corporate financial information in violation of Federal law.

At the time we raised these concerns, your staff offered to supply us with a legal memorandum that would show that (1) you as the Ranking Minority Member had authority commensurate to a Committee Chairman's with regard to access to agency information; and (2) regardless of your standing, you had absolute access as a Member of Congress to any agency record. The RTC has reviewed the Memorandum and the relevant law and authority. Despite our desire to cooperate with you, the agency must continue to take the position that a Ranking Minority Member has the authority of an individual Member of Congress and therefore may only obtain information that would be otherwise available to the public pursuant to the Freedom of Information Act. Moreover, the RTC believes that disclosing privileged information to you could raise questions of waiver and could detrimentally affect any further legal actions that may be contemplated regarding Madison.

Notwithstanding the different conclusion the RTC has reached on this issue, we will continue to review the status of legal proceedings relating to Madison, and consider whether we can prudently disclose

801 17th Street, N.W. Washington, D.C. 20434

any additional information. We have thoroughly cooperated with your request providing thousands of pages of documents. We have also given your request the highest priority in order to respond in as timely a manner as possible. In the interim, we will continue to work with your staff to make available to you as many records as possible within the limitations discussed above.

Sincerely,

John E. Ryan
Deputy CEO

[599]

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Alfonse M. D'Amato
Ranking Minority Member
Committee on Banking, Finance
and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Senator D'Amato:

On January 11 and January 25, 1994 you wrote to me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

Jw

RESOLUTION TRUST CORPORATION
OFFICE OF GOVERNMENTAL RELATIONS
CORRESPONDENCE REFERRAL

Document: 12765 **Document Date:** 94/02/08 **Due Date:** 94/02/24
Input Date: 94/02/09

NAME: D'Amato, Honorable Alfonse M.
Ranking Republican
Committee on Banking, Housing, and
ADDRESS: Urban Affairs, United States Senate
Washington DC 20510

Copies To:
Standard Dist.
Allan Kulka
Krista Kamper
OGR Staff
OGR [illegible]

Synopsis: QUESTIONS RE THE NUMBER OF TIMES THE RTC [CEO] HAS [RECUSE]D HIMSELF FROM INVOLVEMENT IN RTC MATTERS, A [SUMMARY] OF THE GROUNDS LEADING TO RECUSAL DECISION, RTC [POLICY] RE RECUSALS. [IMPORTANT]

Action: Prepare for Peter E. Knight's signature

OLA Contact: Neal E. Logue (202) 416-7099

INSTRUCTIONS

Author of the draft response and person(s) reviewing response should sign this routing sheet. Please forward draft response by DUE DATE with this completed form to OLA (Renee Kelly-Room 1062A-801 17th Street) with WordPerfect disk or E-mail (Renee Kelly@ OLA@ RTCDC). Routing sheet may be faxed to (202)416-4413

* This form is necessary for review purposes *

Assigned To: Art Kusinski
OLA-OAC John Lynn - Contracts

Date:
94/02/09

AUTHOR: ______________________ **PHONE:** ______________

REVIEWED BY:	DATE IN	DATE OUT	REVIEWED BY:	DATE IN	DATE OUT

'9 FEB
RECEIVED

To: Peter E. Knight@OGR@RTCDC
Cc: Casey Carter@OGR@RTCDC,Linda D. Washington@OGR@RTCDC
Bcc:
From: Carol Obrien@OGR@RTCDC
Subject: D'Amato/recusal letter.
Date: Tuesday, February 8, 1994 17:11:43 EST
Attach:
Certify: Y
Forwarded by:

Art Kusinski said this should be assigned to him. He has a copy and will begin work on it in the a.m. We will make sure that Ellen Kulka also has an informational copy.

3765

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN
PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON
ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 8, 1994

Mr. Peter Knight
Director
Office of Governmental Relations
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear Mr. Knight:

Pursuant to your conversation with Doug Nappi, of the Banking Committee, please provide the answers to the following questions:

1) The number of times that an RTC Chief Executive Officer has recused himself from involvement in matters before the RTC;
2) A summary of the grounds that led to the recusal decision; and
3) The RTC's policies or guidelines pertaining to recusals;

If you have any questions regarding this request, Mr. Nappi can be reached at (202) 224-3737.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
Ranking Republican Member

AMD:sb

RESOLUTION TRUST CORPORATION
OFFICE OF GOVERNMENTAL RELATIONS
CORRESPONDENCE REFERRAL

Document: 12814 **Document Date:** 94/02/08 **Due Date:** 94/02/25
Input Date: 94/02/10

NAME: Cohen, Honorable William

ADDRESS:
United States Senate
Washington DC 20510

Copies To:
Standard Dist.
K. KAUPER

Synopsis: QUESTIONS RE [CIVIL] [ACTION] RE [MADISON] GUARANTY S&LA, MCCRORY, AR (RESOLVED) AND [WHITEWATER]. EXTEND [STATUTE] OF [LIMITATIO]NS. FILE [CLAIMS] BEFORE FEBRUARY 28. [STATUS] REPORT. [PLS] [IMPORTANT]

Action: Prepare for Mr. Altman's signature

OLA Contact: Linda Washington (202) 416-7575

INSTRUCTIONS

Author of the draft response and person(s) reviewing response should sign this routing sheet. Please forward draft response by DUE DATE with this completed form to OLA (Renee Kelly-Room 1062A-801 17th Street) with WordPerfect disk or b E-mail (Renee Kelly@ OLA@ RTCDC). Routing sheet may be faxed to (202)416-4413.

* This form is necessary for review purposes *

Assigned To:
OLA-LEG Ellen B. Kulka - Legal

Date:
94/02/10

AUTHOR: ______________________ **PHONE:** ______________

REVIEWED BY:	DATE IN	DATE OUT	REVIEWED BY:	DATE IN	DATE OUT

RESOLUTION TRUST CORPORATION
OFFICE OF GOVERNMENTAL RELATIONS
CORRESPONDENCE REFERRAL

Document: 12815 **Document Date:** 94/02/08 **Due Date:** 94/02/25
Input Date: 94/02/10

NAME: Chafee, Honorable John H. **Copies To:** Standard Dist.

ADDRESS:
United States Senate
Washington DC 20510

Synopsis: QUESTIONS RE [CIVIL] [ACTION] RE [MADISON] GUARANTY S&LA, MCCRORY, AR (RESOLVED) AND [WHITEWATER]. EXTEND [STATUTE] OF [LIMITATIO]NS. FILE [CLAIMS] BEFORE FEBRUARY 28. [STATUS] REPORT. [PLS] [IMPORTANT]

Action: Prepare for Mr. Altman's signature

OLA Contact: Linda Washington (202) 416-7575

INSTRUCTIONS

Author of the draft response and person(s) reviewing response should sign this routing sheet. Please forward draft response by DUE DATE with this completed form to OLA (Renee Kelly-Room 1062A-801 17th Street) with WordPerfect disk or
E-mail (Renee Kelly@ OLA@ RTCDC). Routing sheet may be faxed to (202)416-4413.

* This form is necessary for review purposes *

Assigned To:
OLA-LEG Ellen B. Kulka - Legal

Date:
94/02/10

AUTHOR: ______________________ **PHONE:** ______________

REVIEWED BY:	DATE IN	DATE OUT	REVIEWED BY:	DATE IN	DATE OUT

To: Linda D. Washington@OGR@RTCDC
Cc:
Bcc:
From: Carol Obrien@OGR@RTCDC
Subject: 12766/Madison 40 signatures
Date: Wednesday, February 9, 1994 19:10:10 EST
Attach:
Certify: Y
Forwarded by:

Please see me about this in the a.m. Peter said the original has 2 more signatures on it than the copy we received. I need to know if they are assigned numbers and that Renee has them printed out for the reply that will go. Thanks. Guess what I need is the original incoming.

DONALD W RIEGLE JR MICHIGAN CHAIRMAN

PAUL S SARBANES MARYLAND
CHRISTOPHER J DODD CONNECTICUT
JIM SASSER TENNESSEE
RICHARD C SHELBY ALABAMA
JOHN F KERRY MASSACHUSETTS
RICHARD H BRYAN NEVADA
BARBARA BOXER CALIFORNIA
BEN NIGHTHORSE CAMPBELL COLORADO
CAROL MOSELEY-BRAUN ILLINOIS
PATTY MURRAY WASHINGTON

ALFONSE M D'AMATO NEW YORK
PHIL GRAMM TEXAS
CHRISTOPHER S BOND MISSOURI
CONNIE MACK FLORIDA
LAUCH FAIRCLOTH NORTH CAROLINA
ROBERT F BENNETT UTAH
WILLIAM V ROTH JR DELAWARE
PETE V DOMENICI NEW MEXICO

STEVEN B HARRIS STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A MENELL REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 8, 1994

RECEIVED
FEB 9 1994
OFFICE OF GOVERNMENTAL RELATIONS
RTC

Mr. Roger Altman
President Interim and
Chief Executive Officer
Resolution Trust Corporation
801 17th Street N.W.,
Washington, D.C. 20434

Dear Mr. Altman:

The RTC has acknowledged that the statute of limitations for any civil action arising from the failure of Madison Guaranty will run out on February 28. After February 28, the RTC will not be able to recover any more of the $47 million the taxpayers were forced to pay to close Madison.

The RTC took over Madison in 1989. Presumably, the RTC has thorough knowledge of the institution, the reasons for its failures and the individuals and activities that contributed to its demise. The RTC made a criminal referral to the Justice Department perhaps as early as October, 1992 based on its extensive information and investigation.

The RTC's inaction on the civil side is therefore even more disturbing. With the civil statute of limitations about to run out, the RTC must take action immediately. Unless the RTC takes actions, the rights of the American people to justice and financial recovery will be forfeited to a legal technicality.

Your February 1 letter offered assurances "that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison." Moreover, you stated that the RTC "will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations."

Beyond this general response, we are seeking specific answers to the following questions:

◆ What is the RTC doing to obtain voluntary agreements to extend the statute of limitations from all potential defendants in the Madison/Whitewater matter beyond February 28, 1994?

- In the event the RTC cannot obtain tolling agreements, will the RTC file appropriate civil claims against all individuals whom the RTC has reasonable cause to believe may be liable to the United States prior to February 28, thereby tolling the statute and allowing time for refinements to the original complaint?

- Will the RTC provide us with a complete report on the status and scope of its "thorough review" as soon as possible?

Time is of the essence. The RTC has had years to investigate Madison Guaranty; it should have complete knowledge of the situation and adequate legal foundation for any civil suits. It has only weeks left to act and it should do so without further delay.

We must respectfully request that you respond fully and promptly to this letter.

Sincerely,

Alfonse D'Amato

Don Nickles

Trent Lott

Strom Thurmond

Connie Mack

Conrad Burns

Larry Craig

Dirk Kempthorne

Jesse Helms

Kit Bond

Paul Coverdell

Mitch McConnell

Pete V. Domenici

Nancy Landon Kassebaum

Jon Kyl

Chuck Grassley

Bob Smith

John McCain

Larry Pressler

Jim Jeffords

Ted Stevens

Malcolm Wallop

Orrin Hatch

John Warner

Bob Packwood

John H. Chafee

Bill Cohen

RECEIVED FEB 10

JH

RESOLUTION TRUST CORPORATION
OFFICE OF GOVERNMENTAL RELATIONS
CORRESPONDENCE REFERRAL

Document: 12766 **Document Date:** 94/02/08 **Due Date:** 94/02/24
Input Date: 94/02/09

NAME: Faircloth, Honorable Lauch

ADDRESS:
United States Senate
Washington DC 20510

Copies To:
Standard Dist.
K. NAPPER
OGR STAFF
OGR REPS

Synopsis: QUESTIONS RE RT [CIVIL] [ACTION] RE [MADISON] GUARANTY S&LA, MCCRORY, AR (RESOLVED) AND [WHITEWATER]. EXTEND [STATUTE] OF [LIMITATIO]NS. FILE [CLAIMS] BEFORE FEBRUARY 28. [STATUS] REPORT. [PLS] [IMPORTANT]

Action: Prepare for Mr. Altman's signature

OLA Contact: Linda Washington (202) 416-7575

INSTRUCTIONS

Author of the draft response and person(s) reviewing response should sign this routing sheet. Please forward draft response by DUE DATE with this completed form to OLA (Renee Kelly-Room 1062A-801 17th Street) with WordPerfect disk or E-mail (Renee Kelly@ OLA@ RTCDC). Routing sheet may be faxed to (202)416-4413

* This form is necessary for review purposes *

Assigned To:
OLA-LEG Ellen B. Kulka - Legal

Date:
94/02/09

AUTHOR: ______________________ **PHONE:** ______________

REVIEWED BY:	DATE IN	DATE OUT	REVIEWED BY:	DATE IN	DATE OUT

FEB
RECEIVED

[illegible]

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 8, 1994

Mr. Roger Altman
President Interim and
Chief Executive Officer
Resolution Trust Corporation
801 17th Street N.W.,
Washington, D.C. 20434

Dear Mr. Altman:

The RTC has acknowledged that the statute of limitations for any civil action arising from the failure of Madison Guaranty will run out on February 28. After February 28, the RTC will not be able to recover any more of the $47 million the taxpayers were forced to pay to close Madison.

The RTC took over Madison in 1989. Presumably, the RTC has thorough knowledge of the institution, the reasons for its failures and the individuals and activities that contributed to its demise. The RTC made a criminal referral to the Justice Department perhaps as early as October, 1992 based on its extensive information and investigation.

The RTC's inaction on the civil side is therefore even more disturbing. With the civil statute of limitations about to run out, the RTC must take action immediately. Unless the RTC takes actions, the rights of the American people to justice and financial recovery will be forfeited to a legal technicality.

Your February 1 letter offered assurances "that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison." Moreover, you stated that the RTC "will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations."

Beyond this general response, we are seeking specific answers to the following questions:

- ♦ What is the RTC doing to obtain voluntary agreements to extend the statute of limitations from all potential defendants in the Madison/Whitewater matter beyond February 28, 1994?

- In the event the RTC cannot obtain tolling agreements, will the RTC file appropriate civil claims against all individuals whom the RTC has reasonable cause to believe may be liable to the United States prior to February 28, thereby tolling the statute and allowing time for refinements to the original complaint?

- Will the RTC provide us with a complete report on the status and scope of its "thorough review" as soon as possible?

Time is of the essence. The RTC has had years to investigate Madison Guaranty; it should have complete knowledge of the situation and adequate legal foundation for any civil suits. It has only weeks left to act and it should do so without further delay.

We must respectfully request that you respond fully and promptly to this letter.

Sincerely,

Alfonse D'Amato

Don Nickles

Trent Lott

Strom Thurmond

Bill Roth

Connie Mack

Richard G. Lugar

Conrad Burns

Larry E. Craig

Dirk Kempthorne

Slade Gorton

Jesse Helms

Kit Bond

Mitch McConnell

Pete V. Domenici

Nancy Landon Kassebaum

Jon Kyl

Don Nickles

Chuck Grassley

Bob Smith

John McCain

Larry Pressler

Jim Jeffords

Ted Stevens

Malcolm Wallop

Orrin Hatch

John Warner

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN

PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON

ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

REPUBLICAN STAFF FAX COVER SHEET

TO: Peter Knight

FAX #: 416 4690

FROM: Howard Menell

DATE: February 8, 1994

NUMBER OF PAGES (INCLUDING THIS SHEET):

RECEIVED
FEB 8 1994
OFFICE OF GOVERNMENTAL RELATIONS
RTC

COMMENTS:

Please Deliver ASAP

Please call (202)224-1572 if you have not received all pages.

Office of Thrift Supervision
Department of the Treasury Director
1700 G Street, N.W., Washington, D.C. 20552 • (202) 906-6590

December 22, 1993

The Honorable James A. Leach
Ranking Minority Member
Committee on Banking, Finance,
and Urban Affairs
United States House of Representatives
Washington, D.C. 20515

Dear Congressman Leach:

This is in response to your December 9, 1993, letter in which you requested "access to all documents related to Madison [Guaranty Savings and Loan] and its subsidiaries," as well as the names and titles of OTS employees involved with the supervision and examination of Madison.

With regard to your request for documents, we believe there are two categories of documents that must be analysed separately:

- Material available to any member of the public under the Freedom of Information Act. Some of this material may contain either confidential financial information from individuals or privileged intra-agency information, and would be subject to redaction.
- Supervisory and examination material concerning an OTS-supervised thrift institution.

We will, of course, provide you with any information available to the public under the Freedom of Information Act. Some of this material is available in its entirety and would include any final agency orders regarding Madison and any securities filings that the institution may have made. We would also make copies of the institution's Thrift Financial Reports available.

Other materials, such as support for certain applications, contain confidential financial information from individuals. Although most of the contents of these documents may be released, OTS policy is to protect the privacy of individuals who have submitted confidential information to us. This agency is able to obtain such information on the understanding that we will preserve its confidentiality; disclosure would impede our ability to obtain it in the future. Therefore, any such confidential material would have to be redacted from these documents before they could be made available.

Additionally, there may be some documents that contain privileged intra-agency communications. Although this does not necessarily require withholding entire documents, we need to avoid waiving such privileges as may reside in these documents.

As to supervisory and examination materials, we believe it essential to protect the confidentiality of sensitive information concerning insured institutions. Existing OTS policy is not to release such materials, except under very limited circumstances. There are two reasons for this. First, the confidential nature of the examination process facilitates the free flow of information between savings institutions and examiners. Second, examiners are encouraged to express freely their conclusions to their supervisors about examined institutions, and the confidential nature of the reports permits them to do so. As the United States Court of Appeals for the District of Columbia Circuit recently said,

> Bank management must be open and forthcoming in response to the inquiries of bank examiners, and the examiners must in turn be frank in expressing their concerns about the bank. These conditions simply could not be met as well if communications between the bank and its regulators were not privileged.
>
> *In re Subpoena Served Upon the Comptroller of the Currency*, 967 F.2d 630, 634 (D.C. Cir. 1992) (citations omitted).

You also requested the names and titles of all OTS employees involved with the examination and supervision of Madison as well as those who were assigned to work with the RTC when the institution was closed in 1989. We will provide the names and titles of these employees. However, because of the need to preserve the confidentiality of the examination process, before you conduct any interviews of them, we will need to determine the appropriate scope of these interviews.

We recognize, as did your December 17 letter, that there are issues regarding whether the Freedom of Information Act exemptions apply to your request. In order to reduce the number of documents over which we may disagree and in order to make any redactions as expeditiously as possible, I suggest our staffs discuss the general categories of documents in OTS' possession. If possible, it might be mutually beneficial to determine which, if any, documents we hold that are not germane to your inquiry. We may then organize our review of the documents in a manner that best addresses your priorities.

I hope this is responsive to your request.

Sincerely,

Jonathan L. Fiechter

Jonathan L. Fiechter
Acting Director

HENRY B. GONZALEZ, TEXAS, CHAIRMAN
STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LaFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LaROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIFORNIA
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

February 3, 1994

Mr. Roger C. Altman
Interim CEO
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear Mr. Altman:

I am in receipt of your February 1, 1994 response to the letter initiated by Senate Republican leadership concerning Madison Savings and Loan and I am pleased to learn that the RTC "will vigorously pursue all appropriate remedies" with regard to Madison's failure. It seems self-apparent that in order for the RTC to pursue vigorously all remedies it must have all relevant information at its disposal. Accordingly, I urge the RTC to seek and review all Whitewater Development Corporation documents turned over by the White House to the Justice Department.

In its investigation of Madison, the Minority has uncovered links between Madison and Whitewater, some of which may have contributed to the thrift's failure. Not only did James and Susan McDougal hold significant ownership interest in both entities (approximately two thirds in Madison and one half in Whitewater), but the other joint owners of Whitewater (Bill and Hillary Clinton) appear to have benefited directly and indirectly from the application of Madison resources. [See the attached memo.]

If the White House chooses to use the Justice Department to shield Whitewater documents not only from the public and Congress, but from other government agencies, such as the RTC, which have legitimate public law enforcement responsibilities, it is hard to believe a responsible resolution of the issues involved can be made by regulatory authorities.

I have high regard for your personal integrity, but as you know, from the beginning, it has been an awkward situation to have a presidentially appointed and confirmed officer of the Treasury Department also head an independent federal agency, the Resolution Trust Corporation (RTC). When this prospect was first suggested at the beginning of the Clinton Administration, it did

not strike the Minority as overly unreasonable for a month or two given the fact that no RTC head had been selected.

However, it has been over a year since the Administration has been in office and it can only be described as structurally unseemly for a political appointee of an Executive branch department to make what are in effect, law enforcement decisions for an independent federal agency as they may touch upon the President.

Accordingly, I would urge that you request from the Department of Treasury's General Counsel and Ethics Office advice as to whether you, as interim CEO of the RTC, are obligated to recuse yourself from any decisions concerning the resolution of Madison Guaranty. Just as the special counsel law was designed to relieve the Attorney General from an ethical dilemma of being both chief law enforcement officer for the nation and chief legal advisor to the President in circumstances when the President or a high level Administration officer is the subject of investigation, so it would appear ethically questionable for a political appointee of the Department of Treasury to make decisions for an independent federal agency when the President may be implicated in enforcement and civil actions.

In this regard, it should be clear that the issue is not whether a presidentially appointed official can oversee an investigation involving the President. Rather the issue is that officials with this responsibility should be confirmed for the job with that particular accountability. As you will recall it was a political appointee confirmed by the Senate that issued a cease and desist order for engaging in conflicts of interest against the son of a former President.

As you know, despite your strong letter to the Chairman of the House Banking Committee recommending against extension, Congress last year extended the statute of limitations for civil lawsuits brought against S&L wrongdoers. As you pointed out in your most recent letter, this extension "has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution." Given, however, the impending running of the statute of limitations for certain kinds of actions, time is clearly of the essence for the RTC to make judgments about civil accountability in the failure of Madison.

Finally, I would like to reiterate my request, pursuant to Rules X and XI of the House Rules for all documents related to Madison Guaranty Savings and Loan, Little Rock, Arkansas. As you know,

on December 9, 1993, I wrote the RTC requesting access to all documents related to Madison Guaranty and its subsidiaries.

House and Committee Rules, House practices, and judicial precedent support the proposition that the Ranking Minority Member is the functional counterpart to the Chairman for Committee action. This being the case, a request for documents made by the Ranking Minority Member has parallel standing with a request made by the Chairman of the Committee. The Ranking Minority Member clearly has a voice in the process and is entitled to information that will enable the Ranking Minority Member to carry out his constitutionally mandated oversight responsibilities.

Therefore, the courtesy of a definitive reply to this document request is requested by 12 noon, Monday, February 7, 1994. On this matter, it is urged that you also consult with the Ethics Office as to the relevance of the previously discussed recusal issue.

Again, let me stress that to the degree a conflict situation may exist in this matter in no way reflects on your personal integrity. It is simply an awkward circumstance in contrast to a personal embarrassment.

Sincerely,

JAMES A. LEACH
Ranking Member

JAL:gp

Enclosure

MEMORANDUM

TO: Congressman Leach

FROM: Banking Minority Staff

RE: Madison Guaranty ("Madison")

In reviewing documents related to Madison in the possession of Minority Banking, we have come across material which may indicate direct payment of a loan of Bill Clinton's by Madison through a subsidiary.

Since the Minority's investigation is concerned with the possible misuse of federally insured funds to assist Whitewater and/or the former Governor, we thought we should share the following information with you.

SUMMARY

Based on documentary evidence available to the Minority, it appears that Madison Marketing served, in at least one instance, as a conduit of funds from Madison Guaranty to Whitewater and Governor Clinton. If this is correct, it would appear that insured funds from the failed Madison Guaranty were diverted and directly benefitted the Governor and his investment in Whitewater, a claim Clinton had denied.

DOCUMENTATION

- In 1983, Bill Clinton obtained a loan from Security Bank of Paragould, Arkansas for approximately $20,800 (loan #975-585, Bill Clinton). The money from this loan was used to pay off the remaining balance of a loan at Madison Bank and Trust of Kingston, Arkansas that was provided for the purpose of constructing a modular home on lot #13 at Whitewater Estates. The loan at Madison Bank was provided in 1980 to Hillary Clinton in the amount of $30,000.

- On November 8, 1985, James McDougal sent a letter accompanied by a check to Charles Campbell, Vice President of Security Bank of Paragould, for $7,322.42. The letter from McDougal states that the check is principal and interest payment on "Note #957-585, Bill Clinton." [Note: It appears that the loan number is a typographical error with the superimposing of numbers 5 and 7 in the first three digits.]

(2)

- The check McDougal enclosed with his letter to Mr. Campbell is a Whitewater Development Corporation check dated November 7, 1985. The loan number referenced on the memo portion of the check is "Note #975-585."

- According to the check ledgers for the Whitewater Development Corporation (WDC), the corporation's checking account had the following balances: $189.50 on 10-10-85; and, $12.49 on 10-31-85. However, in order to cover the payment of $7,322.42 on the Clinton loan, a deposit is recorded on November 8, 1985 in the amount of $7,500.00. The deposit is listed as coming from "Madison Marketing."

- A 1986 Federal Home Loan Bank Board exam gives the impression that Madison Marketing was largely a sham corporation used to divert federally insured resources to insiders. The exam notes that "Until 1986, Susan McDougal owned Madison Marketing." The report also states the following:

> "Madison Marketing is paid for doing all the general advertising for Madison Guaranty and most of the advertising for Madison Financial's land development projects. All of Madison Marketing's business is derived from Madison Guaranty or its subsidiaries. Since 1983 these payments total $1,532,000."
>
> "Given the evidence of Madison Marketing's invoices, it is questionable how much of these advertising services are actually performed by the firm. The actual work ... appears to be performed by others. It would appear that Madison Guaranty could have an employee perform similar work for much less money."
>
> "Mr. Latham [an officer of Madison] stated that Madison Marketing made no payments to any stockholders. This statement is false. As part of a test for such payments, the examiners discovered two remittances from Madison Marketing to Susan McDougal [a large stockholder of Madison] which total $50,000. This was a test, and there may be additional payments."

CONCLUSION

Given the above circumstances, it would appear that federally insured deposits (i.e., funds from Madison Guaranty through Madison Marketing), which, with the later failure of Madison became, in effect, taxpayer obligations, were transferred for the direct personal benefit of the former Governor.

The above payment also raises the question of whether Whitewater

was treated as an affiliate or related interest of Madison Guaranty and therefore subject to conflict of interest statutes. From a legal perspective, it could be argued that the McDougals' controlling interest in Madison Guaranty and their substantial ownership interest in Whitewater could qualify Whitewater as an "affiliate" of Madison Guaranty. Even if Whitewater is not considered a subsidiary, related interest, or affiliate of Madison Guaranty, such an extension of funds to a presumably "unaffiliated" entity would be very unusual and suspect.

It has been publicly reported, with respect to this loan repayment, that both Whitewater and the Clintons took a tax deduction related to interest paid on the same loan -- which the Clintons later recognized as improper double deduction after an article ran in the New York Times. What remains unclear is the larger question of whether the funds provided by Madison to reduce the Clinton's liability were proper or properly reported as income for income tax purposes.

As you know, we have received broad hints from within the RTC that the agency has had under review money transfers from Madison to Whitewater. We will not know whether this type of activity was more pervasive and part of a larger pattern unless, and until, the agency provides us the documents we have requested. If Madison provided any direct or indirect assistance to Whitewater, presumably half the value of such would redound to the advantage of each of the half owners. In any regard, the above money transfer underscores that then Governor Clinton had personal liabilities reduced by a payment from Madison. Such payment presumably carries ethical as well as tax implications and is part and parcel of the $47 to $60 million estimated taxpayer loss at Madison.

Attachments

Bank

P.O. BOX 670 PARAGOULD, ARKANSAS 72450
501-239-9871

September 30, 1983

Governor Bill Clinton
1800 Center
Little Rock, AR 72205

Dear Governor Clinton:

Enclosed is a copy of our check #12677 in the amount of $20,800.00 representing the proceeds of your note. The original was mailed to: Madison Bank & Trust, Kingston, Arkansas.

Sincerely,

Charles D. Campbell

Charles D. Campbell
Vice President

CDC/lam

Security Bank
P. O. BOX 670
PARAGOULD, ARKANSAS 72450

Nº 12677

9-30 19 83

81-88/841

PAY

TO THE ORDER OF Madison Bank & Trust 2-8

$ 20,800.00

NOT NEGOTIABLE

FOR loan proceeds for Gov. Bill Clinton

:084100829: 2725-851

JIM McDOUGAL

P. O. Box 1583

Little Rock, Arkansas 72203

[illegible] copy

November 8, 1985

Mr. Charles D. Campbell
Vice President
Security Bank
P. O. Box 670
Paragould, Arkansas 72450

Re: Note #957-585, Bill Clinton

Dear Mr. Campbell:

Enclosed is a White Water Development Corporation check for $7,322.42, representing principal payment of $5,000 and interest payment of $2,322.42, on the above note.

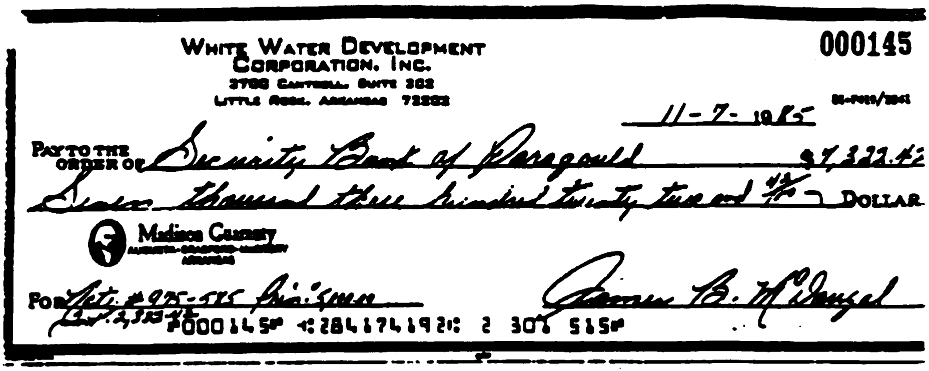
Thank you for your attention to this matter.

Sincerely,

Jim McDougal

Jim McDougal

JM/ss
Enc



WHITE WATER DEVELOPMENT
CORPORATION, INC.
3700 CANTRELL, SUITE 302
LITTLE ROCK, ARKANSAS 72202

000145

[illegible]

11-7-1985

PAY TO THE ORDER OF Security Bank of Paragould $7,322.42

Seven thousand three hundred twenty two and 42/100 DOLLARS

Madison Guaranty
AUGUSTA-BRADFORD-McCRORY
ARKANSAS

FOR Acct. #975-575 Prin. & Int.
Int. 2,322.42

James B. McDougal

⑈000145⑈ ⑆284174192⑆ 2 307 515⑈

Amount notation on check is [illegible] different from notation on McDougal ck –

This is the
White
Water Check
ledger
Drawn on Madison

X

000143

BAL. BRO'T FOR'D 3 57
9-30-85 Int. 80
9-30-85 Stmt. Bal. 4 37
10-10 1985
Fleetwood [illegible]
Loan 10-10-85 — DEPOSITS 285 13
FOR [illegible]
TOTAL 289 50
AMOUNT THIS CHECK 100 00
BALANCE 189 50

000144

10-14- 1985
TO Jessie Sanders,
Marion County Collector
FOR 1984 tax & penalty for
White Water [illegible]
TOTAL
AMOUNT THIS CHECK 177 60
BALANCE 11 90
10-31-85 Int. 59
10-31-85 Stmt. Bal. 12 49

000145

11-7- 1985
TO Security Bank of
[illegible]
[illegible] 11-8-85 — DEPOSITS 7500 00
FOR Note # 473-585
Principal $5,000.00
Interest $2,322.42
TOTAL 7512 49
AMOUNT THIS CHECK 7322 42
BALANCE 190 07

22 p.

FILED

MAR 14 1991

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
SECOND DIVISION

MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION, a State Chartered Savings and Loan; MADISON FINANCIAL CORPORATION, a Wholly Owned Subsidiary of Madison Guaranty Savings and Loan Association,

Plaintiffs,

Vs. No. 88-1193

FROST & COMPANY, an Arkansas Professional Association, and its directors James Alford, Michael Robinson, Gary Grey, Gaines Norton, Tim Gibbon, Steve Humphries, Alan Duncan, Frank Butts, Marjorie Itzkowitz, John Does A, B, C, D

Defendant.

FIRST AMENDED COMPLAINT

COMES NOW, Plaintiffs, and for cause of action states follows:

I

PARTIES

1. Plaintiff Madison Guaranty Savings and Loan Associati (hereinafter, Madison Guaranty) is a state savings & lo association duly chartered under the laws of the State Arkansas. Plaintiff Madison Financial Corporation (hereinafte Madison Financial) is a state chartered corporation and whol owned subsidiary of Madison Guaranty.

2. Defendant Frost & Company is a professional associati or partnership of public [redacted] with its principal place business in Little Rock, Arkansas, comprised of the followi individual partners who are set forth as Defendants in paragr 3.

3. Defendants James Alford, Michael Robinson, Gary Gr Gaines Norton, Tom Gibbon, Steve Humphries, Alan Duncan, Fr Butts, Marjorie Itzkowitz, John Does A, B, C, D are directors

7. John Latham at all relevant times was the President and Chief Executive Officer of Madison Guaranty and a member of its Board of Directors; and a member of the Board of Directors and the Secretary of MFC.

8. Susan McDougal was at all relevant times wife of James B. McDougal, member of the Board of Directors of Madison Guaranty, President of Madison Real Estate, a division of MFC, and President of Madison Marketing, a service provider to Madison Guaranty and MFC.

9. Madison Real Estate was a real estate brokerage operation owned and operated by Madison Financial with its principal broker Susan McDougal.

10. Madison Marketing was an advertising agency through which Madison Financial and Madison Guaranty purchased all of its advertising for itself and MFC's real estate developments.

11. Jim, David and Bill Henley ("Henley Brothers") were real estate agents and/or developers for Madison Real Estate, who sold property and received substantial commissions and/or development fees from Madison Financial.

12. Frost & Company purported to serve as independent auditor of Madison Guaranty and its consolidated subsidiary Madison Financial for the years 1984 and 1985.

13. James D. Alford at all relevant times was the audit and accounting partner of Frost & Company in charge of the Madison Guaranty audit.

14. Federal Home Loan Bank Board ("FHLBB") is the primary federal regulator of Madison Guaranty. FHLBB has oversight of the Federal Home Loan Bank of Dallas which has direct supervisory responsibility for Madison Guaranty.

IV

LEGAL AND AUDITING FRAMEWORK

15. This action arises from Frost & Company's breach of its duty and agreement to provide professional services in that (a defendant Frost & Company violated Generally Accepted Auditing Standards ("GAAS") in connection with its audits of, and opinion

FEDERAL HOME LOAN BANK BOARD
OFFICE OF EXAMINATIONS AND SUPERVISION

Name and Address of Institution MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION

1501 MAIN STREET, LITTLE ROCK, ARKANSAS 72203

District Number NINE Docket Number 7601

Examination as of (date) MARCH 4, 1986

Service Corporations and Other Affiliates Examined:

MADISON FINANCIAL CORPORATION

REPORT OF EXAMINATION

Prohibition of Disclosure or Release

This document is the property of the Federal Home Loan Bank Board and is furnished to the institution for its confidential use. Under no circumstances shall the institution, or any of its directors, officers, or employees, disclose or make this document or any portion of it public in any manner.

If a subpoena or other legal process is received calling for production of this document, the District Director - Examinations should be notified immediately. The attorney at whose instance the process was issued, and, if necessary, the court which issued the process, should be advised of the above prohibition, and referred to Part 505 of the General Regulations of the Federal Home Loan Bank Board.

Directors, in keeping with their responsibilities, should review this report thoroughly. This report should not be considered an audit report.

FHLBB Form 250

[illegible]ment of the commissions paid by Madison Financial to Madison [illegible] Estate, which significantly derives all of its business from Madison Financial.

Many of the sales, which generated these commissions, were to McDougal-Henley Group members who are acting as straw buyers. Madison Guaranty essentially retained the risks of ownership on these transactions because it fully financed these sales including the cash sales commissions. Thus, Madison Guaranty's position deteriorated because it retained the same ownership risks as before, but paid cash fees to these individuals. In addition, fees paid through Madison Real Estate were used as down payments in some of the straw land purchases in an apparent attempt to disguise 100% funding of the purchase by Madison Guaranty and its subsidiaries.

[illegible]

Ke

Let

Messrs. McDougal and Latham cited an April 24, 1985 letter from a Federal Home Loan Bank of Dallas Supervisory Agent as permission to pay real estate sales commissions to Madison Real Estate. However, this letter in part, asks that the Board of Directors review Insurance Regulation 571.7 which is cited above in this comment.

2. Madison Marketing

Madison Marketing is paid for doing all the general advertising for Madison Guaranty and most of the advertising for Madison Financial's land development projects. All of Madison Marketing's business is derived from Madison Guaranty or its subsidiaries. Since 1983 these payments total $1,537,000. Until February 1986, Susan McDougal owned Madison Marketing. During a portion of this time, it was a corporation which was incorporated by Lisa Aunspaugh, reportedly a close friend of Susan McDougal.

Mr. Latham stated that after February 1986, Madison Marketing became an entity "d/b/a (doing business as)" for Madison Financial and ceased to be a corporation. However, it is not registered as a "d/b/a" in the County records. Also, its checking account has never been recorded on the books of Madison Financial.

Given the evidence of Madison Marketing's invoices, it is questionable how much of these advertising services are actually performed by the firm. The actual work of advertising, such as the design and production of commercials and providing air time or newspaper space, appears to be performed by others. Madison Marketing apparently just pays the bills of other providers and adds a 15% fee of its own. Examiners estimated this fee to be approximately $200,000 since 1983. It would appear that Madison Guaranty could have an employee perform similar work for much less money.

X

Mr. Latham stated that Madison Marketing made no payments to any stockholders. This statement is false. As a part of a test for such payments, the examiners discovered two remittances from Madison Marketing to Susan McDougal which total $50,000. This was a test, and there may be additional payments.

3. Designer's Construction

Designer's Construction performs construction work on some of the land development projects and on some of the property securing Madison Guaranty loans. In 1985 and to date in 1986, $247,000 was paid for work performed for Madison Guaranty and its subsidiaries. The amount of loan proceeds paid to Designer's Construction on work for third party borrowers is unknown. Designer's Construction appears to be a

Office of Thrift Supervision
Department of the Treasury
Director
1700 G Street, N.W., Washington, D.C. 20552 • (202) 906-6590

C9403300

February 8, 1994

The Honorable James A. Leach
Ranking Minority Member
Committee on Banking, Finance,
and Urban Affairs
United States House of Representatives
Washington, D. C. 20515

Dear Congressman Leach:

I am writing both in response to your letter of February 4, 1994, and to follow up on our previous correspondence and on communications between our respective staffs over the past several weeks.

On December 9, 1993, you requested access to all documents related to Madison Guaranty Savings and Loan and its subsidiaries. I responded on December 22 noting a number of concerns about the confidential or privileged nature of categories of documents, including supervisory and examination materials that we release only in very limited circumstances. As you know, it is the long-standing policy of OTS and the other banking agencies to protect the confidentiality of sensitive information concerning insured institutions. I suggested our staffs review the categories of documents in which you had expressed an interest.

Over the next weeks, OTS staff compiled the information you requested and prepared an index of the file folders on Madison Guaranty that were in our Dallas office. We supplied your staff with copies of certain publicly available documents responsive to your request as well as the index.

Your staff then reviewed the index and identified several file folders in which they had an interest. While a substantial number of documents remained in issue, we appreciated your staff's effort to refine the request.

On further review of the file folders requested, we explained to your staff that many contained documents that were, in whole or in part, confidential or privileged. Your staff took the position that an information request from a ranking minority member was entitled to the same treatment as a request from a committee or a committee chairman. Your staff offered to provide a legal memorandum explaining their position, and asked that we not make any determinations on the release of documents until we had reviewed it. On January 26, we received that memorandum.

Our staff has reviewed that memorandum and the relevant authorities with care. Respectfully, we have come to the conclusion that we may only provide you with those documents within the first category of documents described in my December 22 letter. Specifically, we differ with the view that Rules X and XI of the House of Representatives grant to a ranking minority member (or any individual member) the same authority to request information that a committee or a committee chairman possesses. While these rules provide a certain degree of equality among the majority and minority, we do not believe these rules delegate the Congress' investigative authority to individual Representatives.

I regret that we have been unable to be more accommodating to your request. We have given your request priority treatment and have been reviewing the documents covered by the index to determine which additional documents, or portions of documents, may be made publicly available, and we will provide these to you as we make these determinations.

Sincerely,

Jonathan L. Fiecht

Jonathan L. Fiechter
Acting Director

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN

PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON

ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

January 25, 1994

Mr. Roger Altman
President Interim and
Chief Executive Officer
Resolution Trust Corporation
801 17th Street N.W.
Washington, D.C. 20434

Dear Mr. Altman:

I am writing to you in connection with the letters of January 11, 1994, to Attorney General Janet Reno and yourself, expressing the grave concern that I and a number of my colleagues have regarding the expiration of the applicable statutes of limitations with respect to possible wrongdoing at Madison Guaranty Savings and Loan ("Madison"). We urged that voluntary agreements tolling the statute of limitations be sought with all the relevant parties. That letter addressed the urgent need for immediate action with respect to any violations that may have occurred, since the applicable statute of limitations may expire as soon as March, 1994.

More than two weeks have passed since we raised this vital issue. In his public comments, Special Counsel Fiske has already demonstrated his recognition of, and sensitivity to, the applicable criminal statutes of limitations.

I have yet to be apprised of what action, if any, the RTC has taken to ensure that the applicable civil statute will not expire. The American people have the right to know if any wrongdoing took place in connection with Madison. It is equally important that the rights of the American people to obtain a full accounting against wrongdoers be preserved.

The RTC should do all in its power to protect the American taxpayer by making a definitive interpretation of precisely when the civil statute of limitation will expire, and then take action to voluntarily seek agreements from potential parties to RTC-initiated legal actions. Should the statute of limitations run, any findings that the RTC makes will be meaningless--there will be no hearing and the American people will be left without complete redress.

Members of the Banking Committee staff have discussed the need for meaningful action with representatives of the RTC. My staff was informed that the RTC had not yet made a final analysis with respect to the expiration of the statute of limitation. They were also informed that no response was immediately available, more than two weeks after this issue was raised--this is inconceivable and unacceptable.

In light of the RTC's failure to respond to these concerns for over two weeks, I am compelled to write again to ascertain what action the RTC has taken, so that I may consider alternate avenues that I can pursue in order to protect the interest of the American people with respect to this matter. I can see no reason for further delay on your part. Please provide me with your conclusions as to the application of the relevant statute of limitations with respect to the Madison situation immediately.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
Ranking Republican
Senate Banking Committee

AMD:dn

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN
PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON
ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO
STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

REPUBLICAN STAFF FAX COVER SHEET

TO: Peter Knight

FAX #: 416 4690

FROM: Doug Nappi/Howard Menell

DATE: January 25, 1994

NUMBER OF PAGES (INCLUDING THIS SHEET): 3

COMMENTS:

Please call (202)224-1572 if you have not received all pages.

RESOLUTION TRUST CORPORATION
OFFICE OF GOVERNMENTAL RELATIONS
CORRESPONDENCE REFERRAL

Document: 12682 Document Date: 94/01/25 Due Date: 94/02/09
Input Date: 94/01/26

NAME: D'Amato, Honorable Alfonse M.
Ranking Republican,
Committee
ADDRESS: United States Senate
Washington DC 20510

Copies To:
Standard Dist.
cc: Ms. Kauper
Ms. Kulka

Synopsis: D'AMATO WRITES AGAIN REGARDING HIS PREVIOUS LETTER TO [JANET] [RENO] SIGNED BY SEVERAL MEMBERS CONCERNING THE STATUES OF [LIMITA]TIONS FOR [LITIGAT]ION PERTAINING TO [MADISON] GUARANTY. [IMPORTANT]

Action: Prepare for Peter E. Knight's signature

OLA Contact: Linda Washington (202) 416-7575

INSTRUCTIONS

Author of the draft response and person(s) reviewing response should sign this routing sheet. Please forward draft response by DUE DATE with this completed form to OLA (Renee Kelly-Room 1062A-801 17th Street) with WordPerfect disk or by E-mail (Renee Kelly● OLA● RTCDC). Routing sheet may be faxed to (202)416-4413.

* This form is necessary for review purposes *

SEE RT 12655

Assigned To:
OLA-LEG Ellen B. Kulka - Legal

Date:
94/01/26

AUTHOR: ______________ PHONE: ______________

REVIEWED BY:	DATE IN	DATE OUT	REVIEWED BY:	DATE IN	DATE OUT

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

January 27, 1994

The Honorable Robert J. Dole
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

I am in receipt of the letter dated January 11, 1994 you sent to Mr. Altman concerning the statute of limitations for Madison Guaranty Savings and Loan of McCrory, Arkansas (Madison). Please be assured that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims resulting from the failure of Madison. We are, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist in relation to Madison, then we will follow our standard procedure in such cases which could include seeking agreements to toll the statute of limitations and vigorously pursue all appropriate remedies. As you noted, the barriers presented by the expiration of the statute of limitations in many cases were ameliorated by the extension of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 statutes in the RTC Completion Act (Act). The Act afforded us further opportunity to investigate whether any civil claims may be asserted against individuals or entities associated with failed institutions for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution.

If you have any questions or I can be of further assistance, please let me know.

Sincerely,

John E. Ryan
Deputy Chief Executive Officer

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Robert J. Dole
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Jan Meyers
U.S. House of Representatives
Washington, D.C. 20515

Dear Ms. Meyers:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable William F. Clinger, Jr.
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Clinger:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Larry Pressler
United States Senate
Washington, D.C. 20510

Dear Senator Pressler:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Jim Leach
Ranking Minority Member
Committee on Banking, Finance
  and Urban Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Leach:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Hamilton Fish, Jr.
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Fish:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Robert H. Michel
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Leader:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Alfonse M. D'Amato
Ranking Minority Member
Committee on Banking, Finance
  and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Senator D'Amato:

On January 11 and January 25, 1994 you wrote to me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

1E046

19653

DONALD W RIEGLE JR MICHIGAN CHAIRMAN

PAUL S SARBANES MARYLAND
CHRISTOPHER J DODD CONNECTICUT
JIM SASSER TENNESSEE
RICHARD C SHELBY ALABAMA
JOHN F KERRY MASSACHUSETTS
RICHARD H BRYAN NEVADA
BARBARA BOXER CALIFORNIA
BEN NIGHTHORSE CAMPBELL COLORADO
CAROL MOSELEY-BRAUN ILLINOIS
PATTY MURRAY WASHINGTON

ALFONSE M D'AMATO NEW YORK
PHIL GRAMM TEXAS
CHRISTOPHER S BOND MISSOURI
CONNIE MACK FLORIDA
LAUCH FAIRCLOTH NORTH CAROLINA
ROBERT F BENNETT UTAH
WILLIAM V ROTH JR DELAWARE
PETE V DOMENICI NEW MEXICO

STEVEN B HARRIS STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A MENELL REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

January 10, 1994

RECEIVED
JAN 1994
OFFICE OF GOVERNMENTAL RELATIONS
RTC

Mr. Roger Altman
Acting Chief Executive Officer
Resolution Trust Corporation
801 17th Street N.W.
Washington, D.C. 20434

Dear Mr. Altman:

Enclosed please find a copy of a letter we sent today to Attorney General Reno. We would appreciate it if you would consider the request we made therein with respect to our concern that the running of the statute of limitations may prevent the final resolution of all allegations relating to Madison Guaranty Savings and Loan.

Thank you.

Sincerely,

Bob Dole

Alfonse D'Amato

Jan Meyers

James Leach

Bill Clinger

Larry Pressler

Bob Michel

IE047

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN

PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON

ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

January 11, 1994

Honorable Janet Reno
Attorney General
U.S. Department of Justice
Washington, D.C. 20530

Dear Attorney General Reno:

We regret that you have rejected Congressional requests to appoint a special counsel to examine the allegations of potential misconduct that have recently surfaced concerning Madison Guaranty Savings and Loan ("Madison") and the Whitewater Development Corporation ("Whitewater").

Of course, we express no opinion as to whether any of the allegations are, in fact, true. Nor do we express any view as to who may, or may not, be involved in any misconduct. Nevertheless, we are writing to urge you to act immediately to seek agreements to toll the relevant civil and criminal statutes of limitations, which are now expiring.

While we have our differences with you over whether to appoint a special counsel under your authority, or an independent counsel following reauthorization of the Independent Counsel Act, we trust that we are pursuing a common objective: a fair investigation conducted in an objective, impartial and independent fashion. The American people, the President, and Mrs. Clinton deserve nothing less.

We are concerned, however, that the goal of fairness and the opportunity for the President and Mrs. Clinton to dispel any doubts about their lack of personal involvement in any of the alleged misconduct may be hampered by the frequent and unfortunate delays in this case. As you are aware, Madison failed and was taken over by the Resolution Trust Corporation in 1989; many of the allegations concerning Whitewater stem from the mid-1980s. However, due to various factors, including the delayed recusal of key officials in your Department and the U.S. Attorney in Little Rock, these allegations have not been pursued in an expeditious manner. As a result, immediate action is now critical.

Under the Federal Deposit Insurance Act, the RTC has only a five year period in which to bring a civil suit for fraud, starting from the date it became the

conservator or receiver of a failed institution. Thus, the ability of the RTC to take civil action may expire as early as March, 1994. The statute of limitations for criminal actions involving bank fraud is 10 years from the date of the occurrence of the criminal activity.

In order to resolve any and all questions regarding Madison and Whitewater, we urge you and the RTC to seek voluntary agreements with all relevant parties, including the President and Mrs. Clinton, the McDougals, David Hale, Jim Guy Tucker, Seth Ward, and the Rose Law Firm, to toll the running of the statutes of limitations -- in other words, to seek their agreement to voluntarily waive these defenses. These agreements will allow time for a complete and independent investigation and permit the orderly operation of the legal and judicial processes. It will also remove any doubt that the above named parties may seek to use the statute of limitations as a procedural defense. Furthermore, it will reassure the American public that anyone implicated in any wrongdoing will answer these allegations on their merits.

Attorney General Reno, thank you for your consideration of this request.

Sincerely,

Bob Dole

Alfonse D'Amato

Jan Meyers

James Leach

Bill Clinger

Larry Pressler

Bob Michel

cc: Roger Altman
Resolution Trust Corporation

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN

PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON

ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

January 10, 1994

RECEIVED
JAN 21 1994
OFFICE OF GOVERNMENTAL RELATIONS
RTC

Mr. Roger Altman
Acting Chief Executive Officer
Resolution Trust Corporation
801 17th Street N.W.
Washington, D.C. 20434

Dear Mr. Altman:

Enclosed please find a copy of a letter we sent today to Attorney General Reno. We would appreciate it if you would consider the request we made therein with respect to our concern that the running of the statute of limitations may prevent the final resolution of all allegations relating to Madison Guaranty Savings and Loan.

Thank you.

Sincerely,

Bob Dole

Alfonse D'Amato

Jan Meyers

Jim Leach

Bill Clinger

Larry Pressler

Bob Michel

1605D

DONALD W. RIEGLE JR MICHIGAN CHAIRMAN

PAUL S. SARBANES MARYLAND
CHRISTOPHER J. DODD CONNECTICUT
JIM SASSER TENNESSEE
RICHARD C. SHELBY ALABAMA
JOHN F. KERRY MASSACHUSETTS
RICHARD H. BRYAN NEVADA
BARBARA BOXER CALIFORNIA
BEN NIGHTHORSE CAMPBELL COLORADO
CAROL MOSELEY-BRAUN ILLINOIS
PATTY MURRAY WASHINGTON

ALFONSE M. D'AMATO NEW YORK
PHIL GRAMM TEXAS
CHRISTOPHER S. BOND MISSOURI
CONNIE MACK FLORIDA
LAUCH FAIRCLOTH NORTH CAROLINA
ROBERT F. BENNETT UTAH
WILLIAM V. ROTH JR. DELAWARE
PETE V. DOMENICI NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

January 11, 1994

Honorable Janet Reno
Attorney General
U.S. Department of Justice
Washington, D.C. 20530

Dear Attorney General Reno:

We regret that you have rejected Congressional requests to appoint a special counsel to examine the allegations of potential misconduct that have recently surfaced concerning Madison Guaranty Savings and Loan ("Madison") and the Whitewater Development Corporation ("Whitewater").

Of course, we express no opinion as to whether any of the allegations are, in fact, true. Nor do we express any view as to who may, or may not, be involved in any misconduct. Nevertheless, we are writing to urge you to act immediately to seek agreements to toll the relevant civil and criminal statutes of limitations, which are now expiring.

While we have our differences with you over whether to appoint a special counsel under your authority, or an independent counsel following reauthorization of the Independent Counsel Act, we trust that we are pursuing a common objective: a fair investigation conducted in an objective, impartial and independent fashion. The American people, the President, and Mrs. Clinton deserve nothing less.

We are concerned, however, that the goal of fairness and the opportunity for the President and Mrs. Clinton to dispel any doubts about their lack of personal involvement in any of the alleged misconduct may be hampered by the frequent and unfortunate delays in this case. As you are aware, Madison failed and was taken over by the Resolution Trust Corporation in 1989; many of the allegations concerning Whitewater stem from the mid-1980s. However, due to various factors, including the delayed recusal of key officials in your Department and the U.S. Attorney in Little Rock, these allegations have not been pursued in an expeditious manner. As a result, immediate action is now critical.

Under the Federal Deposit Insurance Act, the RTC has only a five year period in which to bring a civil suit for fraud, starting from the date it became the

16051

conservator or receiver of a failed institution. Thus, the ability of the RTC to take civil action may expire as early as March, 1994. The statute of limitations for criminal actions involving bank fraud is 10 years from the date of the occurrence of the criminal activity.

In order to resolve any and all questions regarding Madison and Whitewater, we urge you and the RTC to seek voluntary agreements with all relevant parties, including the President and Mrs. Clinton, the McDougals, David Hale, Jim Guy Tucker, Seth Ward, and the Rose Law Firm, to toll the running of the statutes of limitations -- in other words, to seek their agreement to voluntarily waive these defenses. These agreements will allow time for a complete and independent investigation and permit the orderly operation of the legal and judicial processes. It will also remove any doubt that the above named parties may seek to use the statute of limitations as a procedural defense. Furthermore, it will reassure the American public that anyone implicated in any wrongdoing will answer these allegations on their merits.

Attorney General Reno, thank you for your consideration of this request.

Sincerely,

Bob Dole
Alfonse D'Amato
Jan Meyers
James Leach
Bill Clinger
Hamilton Fish
Larry Pressler
Bob Michel

cc: Roger Altman
Resolution Trust Corporation

Jw

RESOLUTION TRUST CORPORATION
OFFICE OF GOVERNMENTAL RELATIONS
CORRESPONDENCE REFERRAL

Document: 12655 **Document Date:** 94/01/10 **Due Date:** 94/02/07
Input Date: 94/01/24

NAME: Dole, Honorable Bob
Senate Minority Leader
United States Senate
ADDRESS:
Washington DC 20510

Copies To:
Standard Dist,
Ellen Kulka
Krista Kasper

Synopsis: RENO, ATTORNEY GENERAL, COPY OF LETTER TO, RE [MADISON] GUARANTY S&LA, MCCRORY, AR (RESOLVED), [WHITEWATER], [CLINTON], [MCDOUGAL], [ROSE] LAW FIRM, [HALE], [TUCKER],[WARD]. SEEK VOLUNTARY [AGREEMENTS].[IMPORTANT]

Action: Prepare for Mr. Altman's signature

OLA Contact: Carol O'Brien (202) 416-7314

INSTRUCTIONS

Author of the draft response and person(s) reviewing response should sign this routing sheet. Please forward draft response by DUE DATE with this completed form to OLA (Renee Kelly-Room 1062A-801 17th Street) with WordPerfect disk or by E-mail (Renee Kelly@ OLA@ RTCDC). Routing sheet may be faxed to (202)416-4413.

* This form is necessary for review purposes *

Assigned To: Legal - Tom Hindes
~~OLA Peter Knight-Governmental Relati~~

Date:
94/01/24

AUTHOR: ______________________ **PHONE:** ____________

REVIEWED BY:	DATE IN	DATE OUT	REVIEWED BY:	DATE IN	DATE OUT

[illegible]

AMENDMENT NO.____ Calendar No.____

Purpose: To Perfect D'Amato Amendment No. 1442

IN THE SE
2nd Sess.

AMENDMENT Nº 1443

By ~~...SKI~~ METZENBAUM

Bill/Res. No. HR 3759

Referred to [redacted]

GPO: 1982 O0-142

O

AMENDMENT intended to be proposed by Mr. [redacted] [illegible]

Viz:

Delete lines 3 through 10 of D'Amato Amendment No.____, and insert in lieu thereof the following:

"(a) Section 21A(b)(14)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(14)(C) is amended by striking clause (i) and inserting in lieu thereof the following:

"(i) the period beginning on the date the claim accrues (as determined pursuant to section 11(d)(14)(B) of the Federal Deposit Insurance Act) and ending on December 31, 1995; or."

or ending on the date of the termination of the Corporation pursuant to Section 21A(m)(1), whichever is later;

4681
AP--rw Senate-Whitewater
a0447

PM-Senate-Whitewater,370
Senate Votes to Extend Deadline on S&L Fraud Actions
By LARRY MARGASAK=
Associated Press Writer=

WASHINGTON (AP) _ Spurred on by Republicans, the Senate agreed to give the government two additional years to pursue civil charges against failed savings and loans _ including the institution central to the Whitewater case.

The Senate voted 95-0 Wednesday to extend, through Dec. 31, 1995, the deadline for pursuing civil fraud and gross negligence actions against officials of numerous failed institutions.

But Republicans were primarily interested in one failed Arkansas institution, Madison Guaranty Savings and Loan. The statute of limitations for the Resolution Trust Corp. to file civil enforcement actions in the Madison case is Feb. 28.

Madison is linked in several ways to the Whitewater Development Corp., a real estate venture that was owned by Bill and Hillary Clinton, along with the owner of Madison and his wife at the time.

Sen. Alfonse D'Amato, R-N.Y., has been badgering Democrats daily to extend the deadline, arguing that pursuing civil actions would not affect an ongoing criminal probe of Whitewater and Madison.

He didn't have much luck until Wednesday, when Sen. Howard Metzenbaum proposed extending the deadline for a number of failed institutions _ not just Madison. D'Amato agreed.

The extension was attached to legislation that is certain to pass quickly, an $8.6 billion relief bill for victims of the Los Angeles earthquake.

The overall bill will go to a House-Senate conference, and D'Amato urged his Senate colleagues to fight any attempt there to delete the extension.

``This sends a strong signal that those responsible for bilking the taxpayers will not be able to hide behind the calendar,'' said D'Amato, who was accused by Democrats of caring only about Madison for political gain.

In passing legislation to provide additional funds to the RTC late last year, the Senate deleted language that would have extended the statute of limitations from three years to five years in civil matters.

The statute clock begins ticking on the day the failed institution is taken over by federal regulators. After it expires, no charges can be brought.

Acting RTC chief Roger Altman assured D'Amato, in a letter dated Jan. 25, that the agency would pursue any appropriate civil matters against Madison.

Thu Feb 10, 1994 01:42

fense with any more budget authority. To the extent that there are corrections of reporting errors resulting in restoration of canceled unobligated balances to canceled "M" accounts, no additional budget authority is created or provided. All obligated balances in the "M" accounts involved in our September 29 decision were canceled on September 30, 1993. The disbursement of any obligation that should have been, but erroneously was not, carried in the "M" accounts prior to cancellation will come out of current funds. The only effect of our decision derives from the fact that charges to current appropriations for obligations of canceled merged balances are limited to the unobligated balances of the original appropriation account available for the same purpose. National Defense Authorization Act for fiscal year 1991, Pub. L. No. 101-510, 104 Stat. 1680, § 1405(b)(7) (1990) (codified at 31 U.S.C. § 1561 note). Consequently, in order to know how much current authority is available to cover old obligations, there needs to be an accurate rendering of the balances in the old accounts.

We understand that the Department of the Army does not intend to submit its request for correction of the alleged $130 million certification error in its year-end report. With regard to the Department of the Air Force errors that you mention in your letter, to date the Air Force has not submitted a request for correction to Treasury. Additionally, under Treasury's proposed instructions implementing our decision, agencies will be allowed to request correction of mistakes in the accounts canceled on September 30 on only one occasion. Treasury would require agencies to submit their requests for correction by May 1, 1994, and to provide convincing evidence of the clerical error. Since, as we stated in our decision, the type of clerical errors that Treasury can correct should typically manifest themselves soon after the account is closed, we have informally suggested to Treasury staff that 6 months may be longer than necessary to allow for the correction of obvious errors.

We share your concern about the failure of the agencies to record obligations and expenditures as they occur and agree that this practice has exacerbated the problem of unmatched disbursements. We think, however, that current law adequately requires the agencies to record these obligations and expenditures. For example, 31 U.S.C. §§ 1501 and 1108 contemplate that each agency will record all valid obligations of the government and certify to the accuracy of its obligations in its budget submission to the President and the Congress. Additionally, under 44 U.S.C. § 3102, each federal agency head is required to make and preserve records containing adequate and proper documentation of its essential transactions in order to protect the legal and financial rights of the government. Further, under the Financial Managers' Financial Integrity Act, 31 U.S.C. § 3512, and the Chief Financial Officers Act, 31 U.S.C. § 901 et seq., agencies are required to establish systems of internal accounting and administrative controls which provide management with reasonable assurance that obligations are in compliance with applicable laws, and revenues and expenditures are properly accounted for and recorded to permit the preparation of accounts and reliable financial reports.

We think the statutes are clear with regard to the requirement for the proper recording of obligations and expenditures. What we think needs improvement is the execution of the requirement of these statutes. The reports cited in our decision point out the failure of DOD's accounting systems to meet these statutory requirements. For example, one of the reports found that the Navy has $12.3 billion in unmatched disbursements in its Standard Accounting and Reporting System. The problem there was not caused by the lack of statutory guidance, but rather was caused by the Navy's failure to comply with existing guidance, procedural requirements, and internal controls. We recommended that the Assistant Secretary of the Navy (Financial Management) enforce existing regulations and procedures which require the proper resolution of this problem.[1]

We think the Department's Chief Financial Officer must take the appropriate steps to address DOD's failure to record its obligations and expenditures and that other problems we all know exist. In this regard, continued oversight by the Congress and the audit community is the more effective response.

We trust that you will find this information useful.

Sincerely yours,

MILTON J. SOCOLAR,
Special Assistant to the Comptroller General.

Mr. GRASSLEY. Madam President, my questions to Mr. Bowsher were as follows: What was the legal authority for the decision to open the M accounts? And, second, how long will the Department of Defense have access to the M accounts beyond the statutory deadline already passed as of September 30, 1993? Last, what kind of remedial legislation is needed to address these issues in the future if, as I stated, the 1990 law that gives the Department of Defense authority to come to Congress, if there has been a clerical error, does not fill the needs of the Department of Defense?

I did receive an answer to that letter on December 23, 1993. The letters from Mr. Bowsher and Mr. Socolar did not help to bring the issue into sharper focus. What is the legal authority for allowing the Department of Defense to regain access to M accounts shut down 3 years ago? What is the authority for allowing the Department of Defense to draw on account balances that have been canceled by law? Both Mr. Bowsher and Mr. Socolar go to great lengths to deny the decision does what it is really designed to do: Help the Department of Defense get more money out of the back door. This is what Mr. Bowsher and Mr. Socolar said:

> Our decision does not provide the Department of Defense with any more budget authority.

Madam President, that is flat wrong. All of the fuss and all of the maneuvering tells me that money is indeed the issue. More money is at stake. The $130 million sought by the Army, that was a misplaced decimal, a clerical error, has been canceled by law. It is gone, it is wiped off the books. But that is $130 million more that was spent not appropriated by Congress.

Now Mr. Bowsher has dredged up an obscure legal gimmick to reauthorize that $130 million in the Army budget authority that was canceled by law. If that happens, then we are talking new budget authority; absolutely new budget authority without a bill passing Congress because the old budget authority was canceled by Congress.

So, Madam President, Mr. Bowsher is creating more budget authority. I think Mr. Bowsher made a bad decision. Unless Mr. Bowsher is able to identify a solid legal foundation to support his decision, he should withdraw the authority to reopen the M accounts. And if we do not get this settled with a more justified approach by the Comptroller General, I hope we in this body for future clerical errors, whether they are $130 million clerical errors, more or less, that we will reject them as we rejected such a request that was made under the 1990 law to the Congress of the United States, because anything short of doing that is just simply, through the back door, giving the Department of Defense the authority to spend hundreds of millions of dollars of more money.

I yield the floor.

MORNING BUSINESS

Mr. KERRY. Madam President, I ask unanimous consent that the Senate now be in a period for morning business, with Senators permitted to speak therein for up to 10 minutes each.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator from New York.

CONSIDERATION OF PUBLIC AND REGULATORY POLICY—MADISON GUARANTY

Mr. D'AMATO. Mr. President, today eight members of the Senate Banking Committee have sent a letter to Chairman RIEGLE, a letter which I am not only going to read, but ask it be printed in the RECORD.

I ask unanimous consent that that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, January 28, 1994.

Hon. DONALD W. RIEGLE,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Notwithstanding the recent appointment of a special counsel to investigate potential criminal wrongdoing in connection with Madison Guaranty, a failed savings and loan, the constitutional responsibility of Congress to consider the serious questions of public and regulatory policy raised by this controversy remains.

Last December Senator D'Amato requested Committee action with respect to this issue. In the intervening time, numerous questions that fall within our Committee's legislative and oversight jurisdiction have gone unanswered. A review of the limited information that is publicly available indicates a variety of germane issues that command the Committee's attention. We believe that the Banking Committee would be derelict in its duty if it does not address important issues, such as:

---

[1] GAO Report to the Acting Secretary of the Navy, "FINANCIAL MANAGEMENT—Navy Records Contain Billions in Unmatched Disbursements," GAO/AFMD-89-88 (June 1989).

> Is the RTC continuing its investigations into Madison and what is the status of any such investigation? How is it that the RTC was able to prepare criminal referrals as early as October 1992, but is unable to follow-up with a civil proceeding? Will the RTC complete any current investigations prior to the expiration of the statute of limitations one month from now?
>
> Did the RTC act as quickly and effectively as possible to ensure that the Madison bail-out cost the taxpayers as little as possible?
>
> Did the principal shareholders or officers of Madison direct Madison resources into other business ventures in which they were involved?
>
> What caused the break-down of the FDIC's procedures for detecting and addressing conflicts-of-interest when the Rose Law Firm was retained to sue Frost and Co.?
>
> Why did the FDIC agree to settle its [illegible] million case against Frost and Co. for $1 million, an amount that is allegedly less than the limit of the firm's malpractice insurance coverage?
>
> This Committee has a solid and proud record of addressing concerns relating to the safety and soundness of insured depository institutions. We believe the Committee has the duty to review thoroughly these and other relevant issues and to obtain information that will be useful as the Committee continues to consider new legislative initiatives and to improve the existing legislative framework to ensure the protection of depositors and taxpayers.
>
> In the light of this, pursuant to Rule 26.3 of the Standing Rules of the Senate, we request that you convene a special meeting of the Senate Committee on Banking, Housing and Urban Affairs to enable the full Committee to consider appropriate Committee action in connection with Madison. We believe the Committee must exercise its jurisdiction and examine the circumstances and events surrounding Madison's operations and failure.
>
> Sincerely,
>
> PHIL GRAMM,
> CONNIE MACK,
> ROBERT BENNETT,
> WILLIAM ROTH,
> ALFONSE D'AMATO,
> CHRISTOPHER BOND,
> LAUCH FAIRCLOTH,
> PETE DOMENICI.

Mr. D'AMATO. Mr. President, before I tell you why the eight Republicans on the Banking Committee took this extraordinary action, I would like to discuss another issue pertaining to Madison Guaranty.

We have on two previous occasions, January 11 and January 26, requested that the RTC—that is the body responsible for any civil investigation—tell us when the statute of limitations expires on civil actions against Madison, and we have received nothing but shocking delays and still no official response to our request for this basic information.

The first letter was dated January 11; the last one January 26. My staff has been in constant contact and, indeed, we were promised a response yesterday.

As of this afternoon, we still have no response from the RTC. We still have not learned when the statute of limitations runs out on Madison and Whitewater. What we have here is shocking inaction. Now we learn—and we were told this only by telephone, and it was supposedly going to be confirmed by a letter to us the day before yesterday—and then it was promised to us yesterday, and then it was promised to us today—that the civil statutes of limitations could possibly expire as soon as February 28. It appears quite possible that little, if anything, is being done to protect the taxpayers and to punish the wrongdoers, or bring about a recovery of taxpayers money.

During this critical period, valuable time has been lost, and this must stop. Mr. President, the clock is ticking. The statute of limitations is running out. And I have to suggest to you that this is a coverup by the RTC, which deliberately refuses to tell us when the statute of limitations is running out.

Now, they have had this matter for a number of years. There has been intense interest and scrutiny, and if their attorneys are doing anything, I cannot believe that they could not tell us within the last 2 weeks when the statute of limitations on civil liability runs out. And when they ignore the statute of limitations, justice is denied. Indeed, if it is February 28, we have a right to know. If it is March, we have a right to know. If it is August, we have a right to know. We also have a right to know what, if anything, is being done.

That brings me to the other reason for his statement. The Republican members of the Banking Committee wrote a letter to Chairman RIEGLE. Once before, I requested that the Banking Committee conduct hearings. Now, since I made that request, I must point out special counsel has been appointed, but special counsel is going to look only into criminal matters. Possible civil actions that would toll the statute is not a matter that the special counsel is reviewing. If the RTC continues to conduct itself as it has, what we are going to face is a situation where the statute of limitation has run out, there has been no attempt to toll the statute by way of a voluntary agreement. The people are going to be denied the truth and taxpayers are going to be denied the ability to recover any moneys to which they might be entitled. It was that which prompted all of the Members on the Republican side to join in this letter to Chairman RIEGLE.

Let me read it to you:

> DEAR MR. CHAIRMAN: Notwithstanding the recent appointment of a special counsel to investigate potential criminal wrongdoing in connection with Madison Guaranty, a failed savings and loan, the constitutional responsibility of Congress to consider the serious questions of public and regulatory policy raised by this controversy remains.
>
> Last December Senator D'AMATO requested committee action with respect to this issue. In the intervening time, numerous questions that fall within our committee's legislative and oversight jurisdiction have gone unanswered. A review of the limited information that is publicly available indicates a variety of germane issues that command the committee's attention. We believe that the Banking Committee would be derelict in its duty if it does not address important issues such as:
>
> Is the RTC continuing its investigation into Madison and what is the status of any such investigation?

Mr. President, if I may interject a comment here. That is a very simple, forthright request. We do not get any answers from the RTC. Certainly the Congress of the United States has an obligation to ascertain this kind of information. The letter goes on:

> How is it that the RTC was able to prepare criminal referrals as early as October 1992 but is unable to follow-up with a civil proceeding?

Mr. President, again, I would mention, that is a rather shocking situation. Criminally, they have moved ahead, but as it relates to the civil action, they cannot even tell us when the statute of limitations runs out. They tell my staff on the telephone that it may be February 28. They tell us that they are going to answer in writing but we have no answer. The letter goes on further:

> Will the RTC complete any current investigations prior to the expiration of these statutes of limitations one month from now?
>
> Did the RTC act as quickly and effectively as possible to ensure that the Madison bail-out cost the taxpayers as little as possible?

Mr. President, if I may interject again—certainly that is well within the purview of the Congress of the United States and the Banking Committee to ascertain. Should we wait until the statute of limitations runs out and then have a moot and academic question? Is that what this is about? Does that not seem like an RTC coverup? I suggest it is. Let me continue with the letter:

> Did the principal shareholders or officers of Madison direct Madison resources into any other business ventures in which they were involved?
>
> What caused the breakdown of the FDIC's procedures for detecting and addressing conflicts of interest when the Rose law firm was retained to sue Frost and Co?
>
> Why did the FDIC agree to settle its [illegible] million case against Frost and Co. for $1 million, an amount that is allegedly less than the limit of the firm's malpractice insurance coverage?

Mr. President, again I believe that cries-out for an answer, and an answer now, not after the statute of limitations runs.

Mr. President, I would point out that the clock is ticking. And there are those who, it appears to me, would like that clock to tick right on past and the American people be lulled to sleep and the Congress to be lulled to sleep. Mr. President, the letter continues:

> This Committee has a solid and proud record of addressing concerns relating to the safety and soundness of insured depository institutions. We believe the Committee has the duty to review thoroughly these and other relevant issues and to obtain information that will be useful as the Committee continues to consider new legislative initiatives and to improve the existing legislative framework to ensure the protection of depositors and taxpayers.
>
> In light of this, pursuant to rule 26.3 of the Standing Rules of the Senate, we request that you convene a special meeting of the Senate Committee on Banking, Housing, and

Urban Affairs to enable the full Committee to consider appropriate Committee action in connection with Madison. We believe the Committee must exercise its jurisdiction and examine the circumstances and events surrounding Madison's operations and failure.

The letter is signed by myself as ranking member, Senator GRAMM, Senator BOND, Senator MACK, Senator FAIRCLOTH, Senator BENNETT, Senator ROTH, and Senator DOMENICI.

Mr. President, let me conclude by saying that this matter is not going to go away. Let me say that the clock is ticking. Here we are, the end of January, and we are talking about possibly 28 days remaining to find out the answers to these perplexing problems. We understand why it is and how it is that some may be afraid to take up this question, but I have to tell you that we have a responsibility of seeking the truth. This Senator, nor any of my colleagues who joined in this letter, make no charges of wrongdoing, but I do suggest that the RTC has an obligation to be responsive not only to the Congress but to the people of the United States. We are talking about a situation where an institution has been bilked of millions and millions of dollars, and I say bilked because we find people who borrowed huge sums of money but who paid back little or none of it.

We have a situation where the statute of limitations is running out, and as of February 28, if the RTC is correct in their telephone conversations with me. The statute may bring to an end any ability to pursue claims that the American taxpayers may justifiably have. The the RTC hides this in the shroud that the statute has run. That is not good enough. I hope that this body will not be a party to the RTC's silence by our acquiescence to what seems at the present time to be an RTC coverup. The American people are entitled to the truth.

Mr. President, I yield the floor.

Mr. NICKLES. Mr. President, I wish to compliment my friend and colleague from New York for his statement in this matter. I happen to concur with his statement on this issue.

I would also like to compliment Senator DOLE for basically expressing some of the concerns that are needed to be expressed by this body.

STATEMENT OF SENATOR HATCH REGARDING HIS SENSE-OF-THE-SENATE RESOLUTION ON RECOGNITION OF ISRAEL

At the request of Senator D'AMATO, the following statement, and a sense-of-the-Senate resolution, were ordered to be printed in the RECORD:

● Mr. HATCH. Mr. President, this amendment is simple and straightforward. It urges the Department of State to request that recipients of American foreign assistance recognize Israel. I do not believe that the State Department has done enough to bring down the diplomatic walls that continue to isolate Israel, and it is my hope that this amendment serves as a catalyst for action.

Israel has existed since May 1948, yet 49 countries have failed to recognize her legitimate right to exist. Of this number, 32 countries receive some form of assistance from the United States. These states are shown on the map. It is imperative that these countries in particular understand the importance that the United States attaches to its relationship with Israel.

In fact, it is time that the international community treat Israel with the respect it deserves. Israel has existed for almost 46 years and is the most willing partner in the peace process. It should be commended rather than condemned and ignored by members of the international community.

In 1992 alone, China and India both recognized Israel. I should point out that I am pleased that Madagascar, which is on this map, decided to establish diplomatic ties with Israel beginning yesterday. Unfortunately, a large number of states have failed to follow their lead.

During the past 2 years, I have personally sent letters with a number of my colleagues to the leaders of Indonesia, Pakistan, and Bangladesh requesting them to recognize Israel. I have appealed personally to ambassadors of these countries. It is hard for me to understand how the PLO can enter into negotiations with Israel and yet these countries refuse to establish ties with Israel.

I do not understand why Indonesia, the largest Moslem country in the world, is unable to establish diplomatic relations with Israel. I do not understand why Pakistan is unable to do so. I do not understand precisely why Bangladesh, which has received substantial American aid during a series of natural disasters, denies one of our most important allies the most basic and fundamental right accorded to a state.

I do not understand why Kuwait—a country that the United States helped liberate from Iraqi aggression—has not recognized Israel. While Kuwait does not receive direct American aid at this point, it was the most direct beneficiary of the Persian Gulf war.

Most important, I do not understand why the State Department is not doing more in this area. The United States will provide over $323 million to 32 of these countries that do not recognize Israel. I believe that every U.S. Ambassador in such a country should be required to raise this issue with the host government.

I believe that only then, will these countries get the message that the United States is serious about this matter.

The amendment to be proposed reads as follows:

AMENDMENT NO.—

(Purpose: To express the sense of the Senate regarding Israel's diplomatic status)

At the appropriate place in the bill, insert the following:

SEC. . The Congress finds that:

Whereas Israel continues to be a leader in the Middle East peace process and the only democracy in the region;

Whereas on May 14, 1948, the United States was the first country to accord de facto recognition to Israel;

Whereas after over 46 years of independence Israel is recognized only by 139 countries around the world;

Whereas 49 countries have no diplomatic relations with Israel, including 32 that collectively receive in FY 94 over $323 million in U.S. foreign assistance;

Whereas China and India recognized the state of Israel in 1992;

Whereas Israel is a legitimate state and sovereign entity that deserves to be accorded full diplomatic recognition by members of the international community;

Whereas the following states will receive direct and indirect U.S. foreign assistance this year and have failed to recognize Israel: Afghanistan; Algeria; Bahrain; Bangladesh; Botswana; Burundi; Cape Verde; Chad; Djibouti; Ghana; Guinea; Guinea-Bissau; Indonesia; Jordan; Laos; Lebanon; Madagascar; Maldives; Mauritania; Morocco; Namibia; Niger; Oman; Pakistan; Rwanda; Senegal; Somalia; Sri Lanka; Tanzania; Tunisia; Uganda; and Yemen.

Resolved: It is the sense of the Senate that the Secretary of State should make the issue of Israel's diplomatic status a priority and urge countries that receive American aid to immediately establish full diplomatic relations with the state of Israel.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. NICKLES] is recognized.

IMPORTANT ISSUES RAISED BY WHITEWATER INVESTIGATION

Mr. NICKLES. Mr. President, I rise today concerning a matter known as Whitewater—a 230-acre development in the Ozark Mountains of Arkansas that was partially owned by Bill and Hillary Clinton from 1978 until just after his election as President.

They sold their interest to James McDougal, their partner in Whitewater and former owner of Madison Guaranty, a failed savings and loan institution, and they reported a $1,000 capital gains on their 1992 tax returns. But since November, there has been intense media coverage of the web of relationships, and questionable actions which raised several serious issues and questions that point to the need for congressional hearings.

As most of my colleagues know, congressional hearings concurrent with investigations by a special counsel are not without precedent. We all remember the Iran-Contra independent counsel and the joint committee of Congress, which concurrently held hearings.

Let me state at the outset that the President, both directly and through his spokesmen, have repeatedly denied any wrongdoing. And I hope for their sake, and for the sake of the Presidency and our Nation, that they are right.

But Mr. President, several newspapers with national reputations for accuracy and credibility, including the New York Times, Wall Street Journal,

FEDERAL DEPOSIT INSURANCE CORPORATION, Washington DC 20429

OFFICE OF THE CHAIRMAN

February 5, 1994

Honorable Alfonse M. D'Amato
Ranking Minority Member
Committee on Banking, Housing
 and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Senator D'Amato:

At the confirmation hearing on February 1, 1994 you asked about the reasonableness of the $1 million settlement between Madison Guaranty Savings and Loan of Augusta, Arkansas and the accounting firm, Frost and Company. This settlement was approved by the Resolution Trust Corporation, not the Federal Deposit Insurance Corporation. Thus I feel your question is more appropriately directed to the RTC.

Nevertheless, to assist in your inquiry, I raised this issue with the FDIC Legal Division. Legal Division staff has advised me that, while Madison Guaranty had originally sought $10 million in actual damages, subsequent RTC analyses calculated the losses between $5.[illegible] and $[illegible] million. The only asset available to pay this claim was a $1 million insurance policy backed by Crum and Forster. Based on standard settlement analysis technique, utilizing projections for probability of success, cost of litigation, present value of money and the fact that the insurance funds would be reduced by the cost of defense, FDIC staff believe that the $1 million settlement falls within the range of reasonableness.

I hope that this information proves helpful. If I can be of further assistance, please let me know.

Sincerely,

Andrew C. Hove

Andrew C. Hove, Jr.
Acting Chairman

RECEIVED

BCC. [illegible]

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 16, 1994

MEMORANDUM TO: Jack Ryan
Ellen Kulka

MEMORANDUM FROM: Peter Knight

SUBJECT: Madison Guaranty
Outstanding Congressional Inquiries

Listed below are outstanding inquiries from Members of Congress relating to Madison Guaranty as of today's date. Attached is a listing of documents that have been provided to Cong. Leach and Senator D'Amato thus far.

REP. LEACH

2/3/94 requested whether RTC Interim CEO should recuse himself from decisions pertaining to Madison Guaranty. Response was due 2/7/94, draft with Legal.

2/16/94 requested documentation compiled for a PLS inquiry Gonzalez made 5/93. Peter Knight to discuss with Ellen Kulka.

Ongoing effort to continue to provide redacted material (including Madison Board Minutes) pursuant to FOIA Privacy Act.

SENATOR D'AMATO

1/13/94 requested chronology of events reflecting the RTC's involvement with Madison. Legal drafting chronology.

2/8/94 requested information regarding recusals by the Interim CEO and RTC's policies pertaining to recusals. The Ethics office is drafting reply for review by Ellen Kulka.

SENATOR FAIRCLOTH

2/8/94 Faircloth and 40 other Senators wrote regarding RTC efforts relating to possible civil litigation on Madison. Draft reply forwarded to Legal 2/9/94.

SENATOR BOND

2/15/94 requested information regarding the Rose Law Firm. Legal is presently compiling data.

801 17th Street, N.W. Washington, D.C. 20434

Documents Reviewed by Sen. D'Amato's staff

(as of 01/31/94)

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
	VISIT ON 1/25/94		
01/25/94*	"REOMS REPORT FOR INST #7236" listing of all real estate owned properties attributed to Madison [12/29/93]	S. PRIMROSE	D. NAPPI
01/25/94*	"PROCEDURES FOR AGENCY RECORDS DETERMINATION" from Philip Lindenmuth RTCDC [08/31/92]	S. PRIMROSE	D. NAPPI
01/25/94*	"MASTER INVENTORY OF MADISON GUARANTY ASSETS" [09/29/92]	S. PRIMROSE	D. NAPPI
01/25/94*	"INVENTORY OF MADISON GUARANTY INSTITUTION RECORDS" for paid off/REO loans [??/??/??]	S. PRIMROSE	D. NAPPI
01/25/94*	"INVENTORY OF MADISON GUARANTY SUBSIDIARY RECORDS" [??/??/??]	S. PRIMROSE	D. NAPPI
01/25/94*	"INVENTORY OF MADISON GUARANTY INSTITUTION AND RTC ACCOUNTING RECORDS" [??/??/??]	S. PRIMROSE	D. NAPPI
01/25/94*	"INVENTORY OF MADISON GUARANTY INSTITUTION MICROFICHE" [10/07/93]	S. PRIMROSE	D. NAPPI
01/25/94*	"INVENTORY OF MADISON GUARANTY GENERAL FILES" [??/??/??]	S. PRIMROSE	D. NAPPI
01/25/94*	"INVENTORY OF RTC DEPARTMENTAL RECORDS ON MADISON GUARANTY" [??/??/??]	S. PRIMROSE	D. NAPPI
01/31/94*	"FEDERAL REGISTER ON DISCLOSURE OF REQUESTED INFORMATION TO INDIVIDUALS" Sec. 1615.5, etc. Vol. 58, No. 3 January 6, 1993	C. CARTER	D. NAPPI
01/31/94*	"POLICY STATEMENT ON RESPONDING TO GRAND JURY SUPOENAS OR INFORMATION REQUESTS" Directive (Circular 5000.1)	C. CARTER	D. NAPPI
01/31/94*	"PROCEDURES FOR PROCESSING FREEDOM OF INFORMATION ACT AND PRIVACY ACT REQUESTS" Directive (Circular 1023.1)	C. CARTER	D. NAPPI
01/31/94*	"THE PRIVACY ACT OF 1974: RIGHTS AND RESPONSIBILITIES" Directive (Circular 1031.1)	C. CARTER	D. NAPPI

* - released documents

Documents Reviewed by Rep. Leach's staff

(as of 01/31/94)

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
	J. SEIDEL VISIT ON 12/27/93		
12/27/93	"RTC RESOLUTION REQUEST FOR FUNDING ANTICIPATED THRIFT CLOSING" form submitted to RTC Funding office three days prior to scheduled closing of Madison [11/27/90]	C. CARTER	J. SEIDEL
12/27/93	Letter [9/18/90] from J. Paul Ramey, Associate Director, RTC to Mr. William Taylor, Staff Director, Federal Reserve re: insolvency of Madison Guaranty, requests Board of Governors to approve applications	C. CARTER	J.SEIDEL
12/27/93	Letter [10/22/90] from Fred Selby, RTC Resolution Specialist at Madison Guaranty to Mr. Tony Samson, RTC, D.C. Resolution states attached is bid package.	C. CARTER	J. SEIDEL
12/27/93	"CASE LOAD INPUT FORM" submitted by the Field Resolution Branch	C. CARTER	J. SEIDEL
12/27/93	Madison Guaranty Bid Analysis forms and information used by Resolutions	C. CARTER	J. SEIDEL
12/27/93	Letter [11/30/90] from AFS Financial Group, Bob Fegtly, President to Fred Selby, RTC Resolution Specialist regarding a bid on Madison Guaranty made by Central Bank & Trust	C. CARTER	J. SEIDEL
12/27/93	Letter [11/21/90] from AFS Financial Group, Randy Dennis, Principal to Fred Selby, RTC Resolution Specialist withdrawing bids on Arkansas institutions, including Madison Guaranty	C. CARTER	J. SEIDEL
12/27/93	"REFERENCE SHEET" lists the potential bidders at the bid meeting	C. CARTER	J. SEIDEL
12/27/93	"DOCUMENTATION CHECKLIST" regarding resolution of Madison Guaranty	C. CARTER	J. SEIDEL
12/27/93	"LIQUIDATION SUMMARY STATEMENT AND DISTRIBUTION OF LOSS" on Madison [8/31/90]	C. CARTER	J. SEIDEL
12/27/93	"BID RESULTS" memo regarding Madison from Fred Selby (RTCKC) to Robert Fish (RTCKC) [11/20/90]	C. CARTER	J. SEIDEL
12/27/93	"CASE RESOLUTION - SUMMARY BID INFORMATION" prepared by Tony Samson (RTCDC) on Madison [12/03/90]	C. CARTER	J. SEIDEL
12/27/93	"FAILING THRIFT CASE" form with information pertaining to the failure of Madison	C. CARTER	J. SEIDEL

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
12/27/93	Letter [12/03/90] from Robert Fish (RTC KC) Resolutions to prospective bidders stating the winning bids	C. CARTER	J. SEIDEL
12/27/93	"PRESS RELEASE ON RTC TRANSFER OF INSURED DEPOSITS OF MADISON" (PR-218-90) [05/18/90]	C. CARTER	J. SEIDEL
12/27/93	"SETTLEMENT AGREEMENT AND RELEASE" b/n RTC and FROST & Co., North River Insurance Co. and Crum & Forster Managers Corp. [04/08/91]	C. CARTER	J. SEIDEL
12/27/93	"CASE RESOLUTION - SUMMARY BID INFORMATION" on Madison [11/30/90]	C. CARTER	J. SEIDEL
12/27/93*	"SETTLEMENT AGREEMENT AND RELEASE" -- RTC settlement on Madison [04/08/91]	S. PRIMROSE	J. SEIDEL
12/27/93*	"AUTHORIZATION TO ACT FOR OTS for Madison Guaranty S&L -- 2 documents: (1) Appointment of Receiver; and, (2) 11/30/90 Contract of Sale [11/30/90]	S. PRIMROSE	J. SEIDEL
12/27/93*	"FIRST AMENDED COMPLAINT" v. Frost & Co. [unsure, marked "received 03/14/91]	S. PRIMROSE	J. SEIDEL
12/27/93*	"NOTICE OF REMOVAL" v. Frost & Co. [03/30/89]	S. PRIMROSE	J. SEIDEL
12/27/93*	"ORIGINAL COMPLAINT" v. Frost & Co. [02/28/??, marked "received 11/18/93]	S. PRIMROSE	J. SEIDEL
12/27/93*	"SETTLEMENT AGREEMENT AND RELEASE" of Seth Ward v. RTC for Madison [04/30/93]	S. PRIMROSE	J. SEIDEL
12/27/93*	"PURCHASE AND ASSUMPTION AGREEMENT BETWEEN RTC (Madison) AND BALD KNOB FSLA", with Indemnity Agreement [11/30/90]	S. PRIMROSE	J. SEIDEL
12/27/93*	"PURCHASE AND ASSUMPTION AGREEMENT BETWEEN RTC (Madison) AND CENTRAL BANK & TRUST", with Indemnity Agreement [11/30/90]	S. PRIMROSE	J. SEIDEL
12/27/93*	"PRESS RELEASE ON SALE OF MADISON" (PR-603-90) [12/05/90]	S. PRIMROSE	J. SEIDEL
12/27/93*	"PROPOSED FORM OF RESOLUTION" memo regarding Madison Guaranty from Robert H. Fish (RTCKC) to J. Paul Ramey (RTCDC) [10/30/90]	S. PRIMROSE	J. SEIDEL
12/27/93*	"BID RESULTS AND RECOMMENDATIONS" memo regarding Madison from Robert H. Fish (RTCKC) to J. Paul Ramey (RTCDC) [11/21/90]	S. PRIMROSE	J. SEIDEL

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
12/27/93*	"SUMMARY/BID INFORMATION SHEET - ANTICIPATED THRIFT FAILURE" regarding Madison; conatins memo to Seidman, Bovenzi, et al. from J. Paul Ramey (RTCDC) [11/16/90]	S. PRIMROSE	J. SEIDEL
12/27/93*	"ASSET VALUATION REVIEW" memo regarding Madison to William H. Roelle (RTCDC) from David H. Nielsen (RTCKC) [11/09/90]	S. PRIMROSE	J. SEIDEL
	M. MCGARRY KANSAS CITY VISIT ON 12/30/93		
12/30/93*	"REOMS REPORT FOR INST #7236" listing of all real estate owned properties attributed to Madison [12/29/93]	B. HINTON	M. MCGARRY
12/30/93*	"CONTRACT INFORMATION" from inception to date for Madison [12/27/93]	B. HINTON	M. MCGARRY
12/30/93*	"INSTITUTIONAL CASE LISTING" for Madison [12/21/93]	B. HINTON	M. MCGARRY
12/30/93*	"SUMMARY OF CONTRACTING ACTIVITY" for Madison; status of all contracts; contract information; list of firms providing services to the RTC relative to Madison [12/27/93]	B. HINTON	M. MCGARRY
12/30/93*	"ADJUSTMENTS TO STATEMENT OF CONDITION" lists beginning balances, adjustments (debits/credits), and adjusted balances for Madison assets and liability & equity capital [??/??/??]	B. HINTON	M. MCGARRY
12/30/93*	"PRO FORMA STATEMENT - ASSUMING INST." lists asset and liabilities & equity capital amounts for Madison [??/??/??]	B. HINTON	M. MCGARRY
12/30/93*	"PRO FORMA STATEMENT - RTC" lists asset and liabilities & equity capital amounts for Madison [12/05/90]	B. HINTON	M. MCGARRY
12/30/93*	"INSTITUTION G/L RECONCILIATION WORKSHEET" [12/05/90]	B. HINTON	M. MCGARRY
12/30/93*	"PRO FORMA ADJUSTMENT LISTING" [12/05/90]	B. HINTON	M. MCGARRY
12/30/93*	"PRO FORMA ADJUSTMENT REGISTER" [12/05/90]	B. HINTON	M. MCGARRY
12/30/93*	"PRO FORMA INS. - P&L ADJUSTMENT REGISTER" [12/05/90]	B. HINTON	M. MCGARRY
12/30/93*	"CONFIRMED WIRE WORKSHEET SUMMARY" for Little Rock and Bald Knob Agents; breakdown of liabilities assumed, assets purchased, premiums, etc. [11/30/90]	B. HINTON	M. MCGARRY

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
12/30/93*	"FINAL WIRE AND CONFIRMATION SUMMARY" breakdown between confirmed balances, Little Rock agent, Bald Knob agent, and RTC/FDIC. [??/??/??]	B. HINTON	M. MCGARRY
12/30/93*	"LOAN PRICE ADJUSTMENT CALCULATION" for Central Bank and Citizens Bank [11/30/90]	B. HINTON	M. MCGARRY
12/30/93*	"DACS ADJUSTMENTS TO STATEMENT OF CONDITION" lists asset and liabilities & equity amounts [12/05/90]	B. HINTON	M. MCGARRY
12/30/93*	"DACS PROFORMA STATEMENT - RTC" lists asset and liabilities & equity capital amounts for Madison [12/05/90]	B. HINTON	M. MCGARRY
12/30/93*	"DACS RECONCILIATION WORKSHEET" [12/05/90]	B. HINTON	M. MCGARRY
12/30/93*	"DACS ADJUSTMENT LISTING" [12/05/90]	B. HINTON	M. MCGARRY
12/30/93*	"DACS ADJUSTMENT REGISTER" 12/05/90]	B. HINTON	M. MCGARRY
12/30/93*	"DACS INST P&L ADJUSTMENT REGISTER" [12/05/90]	B. HINTON	M. MCGARRY
12/30/93*	"INQUIRY FROM REP. RAY THORNTON" to Roger C. Altman RTCDC regarding Laurence B. DeGroat, with attached constituent letter [12/06/93, 11/23/93]	B. HINTON	M. MCGARRY
12/30/93*	"INQUIRY FROM SEN. DAVID PRYOR" to Bowen Hinton RTCKC, with attached constituent letter [12/08/93, 11/23/93]	B. HINTON	M. MCGARRY
12/30/93*	"LETTER TO ROGER C. ALTMAN" [10/14/93]	B. HINTON	M. MCGARRY
12/30/93*	"LETTER TO SEN. DAVID PRYOR" from J. Paul Ramey RTCKC [08/29/93]	B. HINTON	M. MCGARRY
12/30/93*	"INQUIRY FROM SEN. WILLIAM S. COHEN" to Roger Altman RTCDC [11/03/93]	B. HINTON	M. MCGARRY
12/30/93*	"INQUIRY FROM SEN. WILLIAM S. COHEN" RTC summary with incoming and outgoing letters [11/16/93]	B. HINTON	M. MCGARRY
12/30/93*	"INQUIRY FROM SEN. GEORGE J. MITCHELL" with fax cover sheet, and response from Dennis Cavinaw RTCKC [11/03/93]	B. HINTON	M. MCGARRY
12/30/93*	"INQUIRY FROM SEN. DAVID PRYOR" to Randall McFarlane RTCDC, with response from Dennis Cavinaw RTCKC [05/13/93, 07/24/93]	B. HINTON	M. MCGARRY

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
12/30/93*	"INQUIRY FROM SEN. DAVID PRYOR" to Bowen Hinton RTCKC, with enclosure from constituent and response to Sen. Pryor from Michael Martinelli RTCKC [04/11/91, 03/05/91, 04/30/91]	B. HINTON	M. MCGARRY
12/30/93*	"INQUIRY FROM SEN. DALE BUMPERS" to Regional Director RTCKC, with enclosure from constituent and RTC response to Sen. Bumpers from John Lomax RTCKC [11/12/91, 11/11/91, 12/13/91]	B. HINTON	M. MCGARRY
12/30/93*	"INQUIRY FROM SENS. DAVID PRYOR AND DALE BUMPERS" to Virginia Kingsley Lewis RTC TULSA, with constituent enclosure and RTC response from J. Paul Ramey RTCKC [06/06/91, 08/29/91]	B. HINTON	M. MCGARRY
12/30/93*	"FAX COVER SHEET INQUIRY FROM SEN. DALE BUMPERS" to Bowen Hinton RTCKC, with constituent enclosure and RTC response from Margaret Penrose (for Michael Martinelli) [04/17/91, 04/16/91, 04/25/91]	B. HINTON	M. MCGARRY
12/30/93*	"INQUIRY FROM SEN. CHRISTOPHER DODD" to Randall McFarlane, with constituent enclosures and RTC response from Dennis Cavinaw RTCKC [04/07/92, 05/27/92]	B. HINTON	M. MCGARRY
12/30/93*	"INQUIRY FROM SEN. DALE BUMPERS" to Michael Martinelli RTCKC, with constituent enclosure and RTC response from Michael Martinelli RTCKC [03/08/91, 03/05/91, 04/30/91]	B. HINTON	M. MCGARRY
12/30/93*	"LETTER TO SEN. DAVID PRYOR" from Randall H. McFarlane RTCDC [04/08/91]	B. HINTON	M. MCGARRY
12/30/93*	"INQUIRY FROM SEN. DALE BUMPERS" to Michael Martinelli RTCKC, with RTC response from Michael Martinelli RTCKC [03/28/91, 04/16/91]	B. HINTON	M. MCGARRY
	LEACH STAFF VISIT ON 01/05/94		
01/05/94*	"MADISON GUARANTY BOARD MINUTES" from 1982 through 1986 [03/05/82 - 12/30/86]	S. PRIMROSE	J. SEIDEL
01/11/94*	"MADISON GUARANTY BID PACKAGE AND INSTRUCTIONS" [??/??/??]	S. PRIMROSE	J. SEIDEL
01/11/94*	"PROCEDURES FOR AGENCY RECORDS DETERMINATION" from Philip Lindenmuth RTCDC [08/31/92]	S. PRIMROSE	J. SEIDEL
01/11/94*	"MASTER INVENTORY OF MADISON GUARANTY ASSETS" [09/29/92]	S. PRIMROSE	J. SEIDEL
01/11/94*	"INVENTORY OF MADISON GUARANTY INSTITUTION RECORDS" for paid off/REO loans [??/??/??]	S. PRIMROSE	J. SEIDEL
01/11/94*	"INVENTORY OF MADISON GUARANTY SUBSIDIARY RECORDS" [??/??/??]	S. PRIMROSE	J. SEIDEL

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
01/11/94*	"INVENTORY OF MADISON GUARANTY INSTITUTION AND RTC ACCOUNTING RECORDS" [??/??/??]	S. PRIMROSE	J. SEIDEL
01/11/94*	"INVENTORY OF MADISON GUARANTY INSTITUTION MICROFICHE" [10/07/93]	S. PRIMROSE	J. SEIDEL
01/11/94*	"INVENTORY OF MADISON GUARANTY GENERAL FILES" [??/??/??]	S. PRIMROSE	J. SEIDEL
01/11/94*	"INVENTORY OF RTC DEPARTMENTAL RECORDS ON MADISON GUARANTY" [??/??/??]	S. PRIMROSE	J. SEIDEL
01/11/94*	"PROFESSIONAL SERVICES AGREEMENT B/N MADISON GUARANTY AND CONESTOGA-ROVERS & ASSOCIATES, LTD." [02/10/92]	S. PRIMROSE	J. SEIDEL
01/11/94*	"PROFESSIONAL SERVICES AGREEMENT B/N MADISON GUARANTY AND GOSLINE & COMPANY" [06/29/93]	S. PRIMROSE	J. SEIDEL
01/11/94*	"CONTRACT FOR CAMPOBELLO ESTATES B/N RTC AND MORGAN BAYSIDE RE INC." [03/30/93]	S. PRIMROSE	J. SEIDEL
01/11/94*	"THRIFT RESOLUTION ASSISTANCE AGREEMENT B/N RTC AND ARTHUR ANDERSON & COMPANY" [11/21/90]	S. PRIMROSE	J. SEIDEL
02/03/94*	"MORTGAGE B/N JOHN & MARGARET LATHAM & MADISON GUARANTY" [08/23/85] 1312 S. MAIN, LITTLE ROCK	C. CARTER	J. SEIDEL
02/03/94*	"MORTGAGE B/N JOHN & MARGARET LATHAM & MADISON GUARANTY" [3/29/85] 1821 BROADWAY, LITTLE ROCK	C. CARTER	J. SEIDEL
02/03/94*	"SECOND MORTGAGE B/N JOHN LATHAM & MADISON GUARANTY" [2/8/88] 23 MELDIA, LITTLE ROCK	C. CARTER	J. SEIDEL
02/03/94*	"SECOND MORTGAGE B/N JOHN LATHAM & MADISON GUARANTY" [2/8/88] 23 MELDIA, LITTLE ROCK	C. CARTER	J. SEIDEL
02/03/94*	"ANSWER TO PLAINTIFF ORIGINAL COMPLAINT, RTC AS RECEIVER FOR MADISON GUARANTY VS JOHN AND M.MARGARET LATHAM" FILED [1/15/91]	C. CARTER	J. SEIDEL
02/03/94*	"ORDER ON SUMMARY JUDGMENT, RTC AS RECEIVER FOR MADISON GUARANTY VS JOHN AND M.MARGARET LATHAM" FILED [11/12/91]	C. CARTER	J. SEIDEL
02/03/94*	"DISCHARGE OF DEBTOR IN US BANKRUPTCY COURT" RTC C/O HARRY A. LIGHT, ESQ. IN RE JOHN LATHAM (AKA LATHAM ASSOCIATES) [6/23/24/92]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"MOTION FOR ORDER OF ABANDONMENT IN RE: JOHN M. AND MARY MARGARET LATHAM" FILED [6/25/92]	C. CARTER	J. SEIDEL
02/03/94*	"MOTION FOR ORDER OF ABANDONMENT, US BANKRUPTCY COURT (CHAPTER 7)" [8/23/85]	C. CARTER	J. SEIDEL
02/03/94*	"NOTICE OF COMMENCEMENT OF CASE UNDER CHAPTER 7 OF THE BANKRUPTCY CODE, MEETING OF CREDITORS, FIXING OF DATES..." MS. MEREDITH CATLETT IN RE JOHN M. LATHAM (AKA LATHAM & ASSOCIATES AND MARY MARGARET LATHAM" FILED 3/13/92	C. CARTER	J. SEIDEL
02/03/94*	"AMENDED ANSWER TO PLAINTIFF ORIGINAL COMPLAINT" RTC AS RECEIVER FOR MADISON GUARANTY VS. JOHN AND MARGARET LATHAM, US DISTRICT COURT, FILED [11/14/91]	C. CARTER	J. SEIDEL
02/03/94*	"ORDER", RTC AS RECEIVER FOR MADISON GUARANTY V. JOHN AND MARGARET LATHAM FILED [11/12/91]	C. CARTER	J. SEIDEL
02/03/94*	"BRIEF IN SUPPORT OF RESPONSE TO MOTION FOR SUMMARY JUDGMENT", RTC AS RECEIVER FOR MADISON GUARANTY V. JOHN AND MARGARET LATHAM FILED [9/25/91]	C. CARTER	J. SEIDEL
02/03/94*	"MOTION FOR LEAVE TO FILE AMENDED ANSWER AND COUNTERCLAIM" , RTC V. LATHAM [9/25/91]	C. CARTER	J. SEIDEL
02/03/94*	"PLAINTIFF'S BRIEF IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT", RTC V. LATHAM [9/16/91]	C. CARTER	J. SEIDEL
02/03/94*	"MOTION FOR SUMMARY JUDGMENT" RTC V. LATHAM [9/16/91]	C. CARTER	J. SEIDEL
02/03/94*	"AFFIDAVIT OF TONY R. SHELTON" RTC V. LATHAM [8/30/91]	C. CARTER	J. SEIDEL
02/03/94*	"ANSWERS TO INTERROGATORIES AND RESPONSES TO REQUESTS FOR PRODUCTION OF DOCUMENTS" [4/1/91]	C. CARTER	J. SEIDEL
02/03/94*	"PROOF OF CLAIM, JOHN LATHAM IN RE: MADISON GUARANTY" [3/5/91]	C. CARTER	J. SEIDEL
02/03/94*	"ANSWER TO PLAINTIFF ORIGINAL COMPLAINT" RTC AS RECEIVER FOR MADISON GUARANTY V. JOHN AND MARGARET LATHAM FILED [1/15/91]	C. CARTER	J. SEIDEL
02/03/94*	"INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS" [12/18/90]	C. CARTER	J. SEIDEL

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"SUMMONS: FEDERAL HOME LOAN MORTGAGE V JOHN M. LATHAM, ET AL" STATE OF ARKANSAS TO MADISON GUARANTY MAILED [3/15/93]	C. CARTER	J. SEIDEL
02/03/94*	"PLAINTIFF ORIGINAL COMPLAINT", RTC AS RECEIVER FOR MADISON GUARANTY V. JOHN AND MARY MARGARET LATHAM FILED [12/31/90]	C. CARTER	J. SEIDEL
02/03/94*	"JAMES BERT MCDOUGAL BANKRUPTCY CLAIM" [1/29/92]	C. CARTER	J. SEIDEL
02/03/94*	"JAMES BERT MCDOUGAL BANKRUPTCY - PROOF OF CLAIM" [1/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"JAMES BERT MCDOUGAL BANKRUPTCY NOTICE OF COMMENCEMENT OF CLAIM" [10/7/91]	C. CARTER	J. SEIDEL
02/03/94*	"FORECLOSURE DECREE" MADISON GUARANTY V. JAMES B. MCDOUGAL AND SUSAN H. MCDOUGAL FILED [1/15/88]	C. CARTER	J. SEIDEL
02/03/94*	"FORECLOSURE DECREE" MADISON GUARANTY V. JAMES B. MCDOUGAL AND SUSAN H. MCDOUGAL FILED [1/15/88]	C. CARTER	J. SEIDEL
02/03/94*	"COMMISSIONER'S DEED" AND "ACKNOWLEDGEMENT" [3/4/88] (2 COPIES)	C. CARTER	J. SEIDEL
02/03/94*	"THE JIMBO COMPANY: RECORDED MORTGAGE/LOAN MODIFICATION AGREEMENT BY MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION" FILED & RECORDED [4/6/89]	C. CARTER	J. SEIDEL
02/03/94*	"JIMBO COMPANY MORTGAGE WITH POWER OF SALE" [3/10/89]	C. CARTER	J. SEIDEL
02/03/94*	"MORTGAGE OF JIM GUY TUCKER AND BETTY TUCKER" [12/3/85]	C. CARTER	J. SEIDEL
02/03/94*	"MORTGAGE OF JIM GUY TUCKER AND BETTY TUCKER LOAN MODIFICATION AGREEMENT" [3/7/86]	C. CARTER	J. SEIDEL
02/03/94*	"PEACOCK BROTHERS: MORTGAGE FORECLOSURE" "PETITION FOR FORECLOSURE AND LIS-PENDENS" FILED BY TURNER & MAINARD ON BEHALF OF BANK OF OZARKS" "LETTER TO RTC AS RECEIVER" [6/27/91]"	C. CARTER	J. SEIDEL
02/03/94*	"PEACOCK BROTHERS: MORTGAGE FORECLOSURE SUMMONS" [6/27/91]	C. CARTER	J. SEIDEL
02/03/94*	"BANK OF OZARKS VS. PEACOCK BROS., INC. PETITION FOR FORECLOSURE" [6/21/91]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94•	"BANK OF OZARKS VS. PEACOCK BROS., INC. DECREE OF FORECLOSURE" [10/23/91 FILED 10/30/91]	C. CARTER	J. SEIDEL
02/03/94•	"BANK OF OZARKS VS. PEACOCK BROS., INC. NOTICE OF SALE" FILED [10/31/91]	C. CARTER	J. SEIDEL
02/03/94•	"BANK OF OZARKS VS. PEACOCK BROS., INC. PETITION FOR FORECLOSURE AND SUPPORTING DOCUMENTS" [6/21/91]"	C. CARTER	J. SEIDEL
02/03/94•	"PROMISSORY NOTE B/N PEACOCK BROS., INC. AND BANK OF OZARK [12/19/83]	C. CARTER	J. SEIDEL
02/03/94•	"MORTGAGE WITH POWER OF SALE B/N PEACOCK BROS., INC. AND BANK OF OZARK [12/19/83]	C. CARTER	J. SEIDEL
02/03/94•	"SECURITY AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK [12/19/83] FILED FOR RECORD [1/5/94]	C. CARTER	J. SEIDEL
02/03/94•	"PROMISSORY NOTE B/N PEACOCK BROS., INC. AND BANK OF OZARK RENEWAL" [2/13/85 TO BE EFFECTIVE AS OF 12/29/84]	C. CARTER	J. SEIDEL
02/03/94•	"DISCLOSURE STATEMENT OF LOAN RENEWED B/N PEACOCK BROS., INC. AND BANK OF OZARK" [12/26/85]	C. CARTER	J. SEIDEL
02/03/94•	"REAL ESTATE MORTGAGE EXTENSION AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK" [2/13/85] FILED [2/14/85]	C. CARTER	J. SEIDEL
02/03/94•	"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR PEACOCK BROS., INC. [2/13/85]	C. CARTER	J. SEIDEL
02/03/94•	"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR BANK OF OZARK" [2/13/85]	C. CARTER	J. SEIDEL
02/03/94•	"PROMISSORY NOTE - 2ND RENEWAL NOTE B/N PEACOCK BROS., INC. AND BANK OF OZARK" [1/30/86 TO BE EFFECTIVE AS OF 12/29/85]	C. CARTER	J. SEIDEL
02/03/94•	"REAL ESTATE MORTGAGE EXTENSION AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK" [2/3/86]	C. CARTER	J. SEIDEL
02/03/94•	"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR PEACOCK BROS., INC. [1/31/86]	C. CARTER	J. SEIDEL

• - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR BANK OF OZARK" [1/31/86]	C. CARTER	J. SEIDEL
02/03/94*	"PROMISSORY NOTE - 3RD RENEWAL NOTE B/N PEACOCK BROS., INC. AND BANK OF OZARK" [2/20/87 TO BE EFFECTIVE AS OF 1/15/87]	C. CARTER	J. SEIDEL
02/03/94*	"REAL ESTATE MORTGAGE EXTENSION AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK" [3/4/87]	C. CARTER	J. SEIDEL
02/03/94*	"CORPORATION ACKNOWLEDGEMENT BY THE STATE OF ARKANSAS FOR PEACOCK BROS., INC. [2/20/87]	C. CARTER	J. SEIDEL
02/03/94*	"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR BANK OF OZARK" [2/20/87]	C. CARTER	J. SEIDEL
02/03/94*	"PROMISSORY NOTE - 4TH RENEWAL NOTE B/N PEACOCK BROS., INC. AND BANK OF OZARK" [1/25/88 TO BE EFFECTIVE AS OF 1/15/88]	C. CARTER	J. SEIDEL
02/03/94*	"REAL ESTATE MORTGAGE EXTENSION AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK" [3/2/88]	C. CARTER	J. SEIDEL
02/03/94*	"CORPORATION ACKNOWLEDGEMENT BY THE STATE OF ARKANSAS FOR PEACOCK BROS., INC. [1/25/88]	C. CARTER	J. SEIDEL
02/03/94*	"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR BANK OF OZARK" [1/25/88]	C. CARTER	J. SEIDEL
02/03/94*	"PROMISSORY NOTE - 5TH RENEWAL NOTE B/N PEACOCK BROS., INC. AND BANK OF OZARK" [2/16/89 TO BE EFFECTIVE AS OF 1/15/89]	C. CARTER	J. SEIDEL
02/03/94*	"REAL ESTATE MORTGAGE EXTENSION AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK" [3/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"CORPORATION ACKNOWLEDGEMENT BY THE STATE OF ARKANSAS FOR PEACOCK BROS., INC. [1/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"CORPORATION ACKNOWLEDGEMENT" BY THE STATE OF ARKANSAS FOR BANK OF OZARK" [3/16/89]	C. CARTER	J. SEIDEL
02/03/94*	"FINANCIAL STATEMENT FILING" [1/5/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"FINANCIAL STATEMENT FILING" [1/9/89]	C. CARTER	J. SEIDEL
02/03/94*	"MORTGAGE WITH POWER OF SALE B/N PEACOCK BROS., INC. AND BANK OF OZARK", "ACKNOWLEDGMENT AND CERTIFICATE OF RECORD" [6/6/84]	C. CARTER	J. SEIDEL
02/03/94*	"MORTGAGE RENEWAL AGREEMENT B/N PEACOCK BROS., INC. AND BANK OF OZARK" [1/17/90]	C. CARTER	J. SEIDEL
02/03/94*	"LETTER FROM TURNER & MAINARD FOR BANK OF OZARK TO PEACOCK BROS., INC. RE:DEFAULT AND MORTGAGE FORECLOSURE PROCEDURES" [5/1/91]	C. CARTER	J. SEIDEL
02/03/94*	"LETTER FROM TURNER & MAINARD FOR BANK OF OZARK TO PEACOCK BROS., INC. RE:DEFAULT AND MORTGAGE FORECLOSURE PROCEDURES" [5/1/91]	C. CARTER	J. SEIDEL
02/03/94*	"REDEMPTION DEED BY COMMISSIONER OF STATE LANDS" & "CERTIFICATE OF RECORD" [2/14/91] FILED [2/19/91]	C. CARTER	J. SEIDEL
02/03/94*	"REDEMPTION DEED BY COMMISSIONER OF STATE LANDS" & "CERTIFICATE OF RECORD" [2/14/91] FILED [2/19/91]	C. CARTER	J. SEIDEL
02/03/94*	"DEMAND NOTE B/N CHA-RA-KE CORPORATION AND MARY PEACOCK" [12/18/87]	C. CARTER	J. SEIDEL
02/03/94*	"DEED OF TRUST B/N CHA-RA-KE, INC. AND MARY PEACOCK" AND "ACKNOWLEDGEMENT" [12/19/87] FILED FOR RECORD [6/26/90]	C. CARTER	J. SEIDEL
02/03/94*	"CORPORATION WARRANTY DEED B/N CHA-RA-KE, INC. AND PEACOCK BROS., INC." AND "ACKNOWLEDGEMENT" [6/5/84], FILED FOR RECORD [6/6/84]	C. CARTER	J. SEIDEL
02/03/94*	"ANSWER TO PETITION FOR FORECLOSURE BY RTC AS RECEIVER FOR MADISON GUARANTY RE: BANK OF OZARK VS. PEACOCK BROS., INC." [7/17/91]	C. CARTER	J. SEIDEL
02/03/94*	"SUMMONS BY BANK OF OZARK V. PEACOCK BROS., INC; CHARLES J. (IV) & TERRI PEACOCK; RALPH J. PEACOCK; CHARLES J. (III) & JUDY PEACOCK; KENNETH RAY & DENISE PEACOCK; MARY PEACOCK & SPOUSE; MADISON GUARANTY; R.M. WEAVER; CHA-RA-KE, INC. AND CITIZENS BANK OF BALD KNOB, ARK." [7/1/91]	C. CARTER	J. SEIDEL
02/03/94*	"LIS-PENDENS, BANK OF OZARK V. PEACOCK BROS., ET AL" [6/27/91]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"CERTIFICATION OF DOCUMENT AUTHENTICITY BY FEDERAL HOME LOAN BANK BOARD" [2/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"FEDERAL HOME LOAN BANK BOARD APPOINTMENT OF CONSERVATOR FOR MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION" "ORDER - OFFICE OF THRIFT SUPERVISION" [2/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"NEWSPAPER ARTICLE: 'TUCKER ATTEMPTS TO SHAKE S&L ENTANGLEMENT,' ARKANSAS TIMES" [2/18/91]	C. CARTER	J. SEIDEL
02/03/94*	"NEWSPAPER ARTICLE: 'RTC IN A HURRY TO SELL STATE THRIFTS' ARKANSAS GAZETTE" [ ]	C. CARTER	J. SEIDEL
02/03/94*	"NEWSPAPER ARTICLE: 'HEAD OF FAILING S&L HELPED CLINTON PAY A $50,000 PERSONAL DEBT IN 1985,' THE NEW YORK TIMES NATIONAL" [12/15/93]	C. CARTER	J. SEIDEL
02/03/94*	"MORTGAGE BETWEEN MADISON FINANCIAL CORPORATION AND MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION FOR LAKE FAIRCREST ESTATES - CAMPOBELLO ISLAND" [8/29/86]	C. CARTER	J. SEIDEL
02/03/94*	"MORTGAGE BETWEEN MADISON FINANCIAL CORPORATION AND MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION FOR TIMBERLINE ESTATES, GREENTREE FARMS AND FAIR OAKS SUBDIVISION, QUACHITA COUNTY, ARKANSAS" [4/29/91]	C. CARTER	J. SEIDEL
02/03/94*	"MORTGAGE BETWEEN MADISON FINANCIAL CORPORATION AND MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION FOR LOTS IN EDEN PARK, WHITE COUNTY, ARKANSAS" [4/20/88]	C. CARTER	J. SEIDEL
02/03/94*	"MORTGAGE BETWEEN MADISON FINANCIAL CORPORATION AND MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION FOR PROPERTIES IN SALINE COUNTY, ARK" [4/20/88]	C. CARTER	J. SEIDEL
02/03/94*	"MORTGAGE BETWEEN MADISON FINANCIAL CORPORATION AND MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION FOR PROPERTIES IN WHITE COUNTY, ARKANSAS" [4/20/88]	C. CARTER	J. SEIDEL
02/03/94*	"FINANCING STATEMENT OF MADISON FINANCIAL CORPORATION FOR MADISON GUARANTY SAVINGS & LOAN ASSOCIATION" [5/9/88]	C. CARTER	J. SEIDEL
02/03/94*	"OATH OF OFFICE BY JAMES H. JACKSON FOR MAPLE CREEK FARMS BOARD OF COMMISSIONERS" [6/28/90]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"OATH OF OFFICE BY LAVERNE M. GOODWIN FOR MAPLE CREEK FARMS BOARD OF COMMISSIONERS" [7/30/91]	C. CARTER	J. SEIDEL
02/03/94*	"OATH OF OFFICE BY JOHN M. THOMAS, SR FOR MAPLE CREEK FARMS BOARD OF COMMISSIONERS" [7/29/91]	C. CARTER	J. SEIDEL
02/03/94*	"OATH OF OFFICE BY BRUCE CAMPBELL FOR MAPLE CREEK FARMS BOARD OF COMMISSIONERS" [6/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"OATH OF OFFICE BY ELORA COLEMAN FOR MAPLE CREEK FARMS BOARD OF COMMISSIONERS" [11/17/87]	C. CARTER	J. SEIDEL
02/03/94*	"OATH OF OFFICE BY JOHN W. ATKINS FOR MAPLE CREEK FARMS BOARD OF COMMISSIONERS"" [7/17/90]	C. CARTER	J. SEIDEL
02/03/94*	"COMMISSIONER OF MAPLE CREEK FARMS PROPERTY OWNERS SEWER IMPROVEMENT DISTRICT NO. 1, BRUCE CAMPBELL, RESIGNATION AND RECOMMENDATION OF APPOINTMENT OF JAMES H. JACKSON" [6/22/90]	C. CARTER	J. SEIDEL
02/03/94*	"COMMISSIONER OF MAPLE CREEK FARMS PROPERTY OWNERS SEWER IMPROVEMENT DISTRICT NO. 1, TOMMY TRANTHAM, RESIGNATION AND RECOMMENDATION OF APPOINTMENT OF BRUCE CAMPBELL" [6/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"COMMISSIONER OF MAPLE CREEK FARMS PROPERTY OWNERS SEWER IMPROVEMENT DISTRICT NO. 1, ELORA COLEMAN, RESIGNATION AND RECOMMENDATION OF APPOINTMENT OF JOHN W. ATKINS" [7/11/90].	C. CARTER	J. SEIDEL
02/03/94*	"COMMISSIONER OF MAPLE CREEK FARMS PROPERTY OWNERS SEWER IMPROVEMENT DISTRICT NO. 1, JAMES JACKSON, RESIGNATION AND RECOMMENDATION OF APPOINTMENT OF LAVERNE M. GOODWIN [7/30/91].	C. CARTER	J. SEIDEL
02/03/94*	"STATE OF ARKANSAS DEPT. OF POLLUTION CONTROL AND ECOLOGY NPDES PERMIT VIOLATIONS - LETTER TO RANDALL RANDOLPH, CASTLE WATER & SEWER CORP." [5/7/91]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"CONSENT ADMINISTRATIVE ORDER," "FINDINGS OF FACT," "ORDER AND AGREEMENT," "ESCROW AGREEMENT" BETWEEN DEPT. OF POLLUTION CONTROL & ECOLOGY AND RANDALL RANDOLPH OF CASTLE WATER & SEWER CORP. [4/8/91]	C. CARTER	J. SEIDEL
02/03/94*	"MOTION FOR DEFAULT: MADISON FINANCIAL CORPORATION VS. ELI ESAU" FILED [10/7/91]	C. CARTER	J. SEIDEL
02/03/94*	"CERTIFICATE OF ASSESSOR (JOHN M. KAPP)" [10/11/90]	C. CARTER	J. SEIDEL
02/03/94*	"OATH OF ASSESSOR" [10/16/90]	C. CARTER	J. SEIDEL
02/03/94*	"RESOLUTION CONFIRMING ASSESSMENT OF BENEFITS AND DAMAGES" [12/10/90]	C. CARTER	J. SEIDEL
02/03/94*	"MAPLE CREEK SEWER NOTICE OF MEETING TO DISCUSS SEWER ASSESSMENT" [11/3/90]	C. CARTER	J. SEIDEL
02/03/94*	"ORDER LEVYING TAX BY BOARD OF COMMISSIONERS OF MAPLE CREEK FARMS PROPERTY OWNERS' SEWER IMPROVEMENT DISTRICT NO. 1"	C. CARTER	J. SEIDEL
02/03/94*	"US HUD NOTICE OF PROCEEDINGS AND OPPORTUNITY FOR HEARING IN THE MATTER OF CAM[P]OBELLO" [9/28/93]	C. CARTER	J. SEIDEL
02/03/94*	"SURRENDER OF LEASE BETWEEN CAMPOBELLO DEVELOPMENT LTD AND HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NEW BRUNSWICK" [5/5/93]	C. CARTER	J. SEIDEL
02/03/94*	"FEDERAL REGISTER ARTICLE ON COASTAL BARRIER IMPROVEMENT ACT; PROPERTY AVAILABILITY; CAMPOBELLO ISLAND ESTATES, NEW BRUNSWICK, CANADA RE: RTC NOTICE" [6/29/93]	C. CARTER	J. SEIDEL
02/03/94*	"FORM A13 DEED BETWEEN LARRY KUCA, HAROLD WENGER AND CAMPOBELLO ISLAND CLUB" AND "SCHEDULE A" [5/15/87] REGISTERED 7/13/87]	C. CARTER	J. SEIDEL
02/03/94*	"CERTIFICATE OF FORMATION OF CAMPOBELLO PROPERTIES VENTURE BY JAMES MCDOUGAL, PRESIDENT, MADISON FINANCIAL CORPORATION" [12/5/85] FILED [7/29/87]	C. CARTER	J. SEIDEL
02/03/94*	"STATE OF ARKANSAS SECRETARY OF STATE CANCELLATION OF LIMITED PARTNERSHIP OF CAMPOBELLO DEVELOPMENT COMPANY" [3/21/86]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"CERTIFICATE OF CANCELLATION OF LIMITED PARTNERSHIP OF CAMPOBELLO DEVELOPMENT COMPANY" [12/11/85] AND "ACKNOWLEDGEMENT"	C. CARTER	J. SEIDEL
02/03/94*	"OATH AS PRESIDENT OF ROBERT J. HIGGINS FOR CAMPOBELLO ISLAND CLUB" [5/29/93]	C. CARTER	J. SEIDEL
02/03/94*	"DEED UNDER STANDARD FORMS OF CONVEYANCES ACT BETWEEN MARY FREEMAN, TRUSTEE, ("GRANTOR") LANIS YARBROUGH, TRUSTEE ("GRANTEE"), AND CAMPOBELLO ISLAND CLUB, INC." [10/29/92]	C. CARTER	J. SEIDEL
02/03/94*	"SCHEDULE A PURSUANT TO TERMS OF CAMPOBELLO PROPERTIES VENTURE TRUST AGREEMENT"	C. CARTER	J. SEIDEL
02/03/94*	"SCHEDULE C"	C. CARTER	J. SEIDEL
02/03/94*	"SCHEDULE D" RE: SUBDIVISION SCHEME AND INDENTURE, CAMPOBELLO ISLAND, LARRY E. KUCA AND MARY FREEMAN"	C. CARTER	J. SEIDEL
02/03/94*	"SCHEDULE E RE: TERMS USED IN DEED OF CONVEYANCE"	C. CARTER	J. SEIDEL
02/03/94*	"SCHEDULE D ITEM 1: MARY FREEMAN AS TRUSTEE" [10/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"SCHEDULE D ITEM 1: LANIS YARBROUGH AS TRUSTEE" [10/29/92]	C. CARTER	J. SEIDEL
02/03/94*	"AFFIDAVIT OF MARY A. FREEMAN AS GRANTOR IN THE INDENTURE OF LANDS AND PREMISES" [10/21/92] AND NOTARY PUBLICS CERTIFICATIONS"	C. CARTER	J. SEIDEL
02/03/94*	"DEED: STANDARD FORMS OF CONVEYANCES ACT BETWEEN MARY FREEMAN AND LANIS YARBROUGH" [10/21/92] AND "SCHEDULE A"	C. CARTER	J. SEIDEL
02/03/94*	"AFFIDAVIT BY MARY FREEMAN AS GRANTOR NAMED IN INDENTURE OF DEED OF LANDS AND PREMISES - IN THE MATTER OF MARITAL PROPERTY ACT, STATE OF ARKANSAS RE: CAMPOBELLO" AND "SCHEDULE D" [10/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"DEED, STANDARD FORMS OF CONVEYANCE ACT" [10/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"SCHEDULE A AS RELATED TO DEED, STANDARD FORMS OF CONVEYANCE ACT"	C. CARTER	J. SEIDEL

* - **released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"SCHEDULE B: INDEX OF LANDS CONVEYED BY DEAD RIVER LIMITED OF CAMPOBELLO ISLAND PROPERTIES" [7/16/58-10/7/83]	C. CARTER	J. SEIDEL
02/03/94*	"AFFIDAVIT IN THE MATTER OF THE MARITAL PROPERTY ACT BY MARY A. FREEMAN" [10/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"SCHEDULE D DECLARATION AS TRUSTEE FOR CAMPOBELLO PROPERTIES VENTURE WITHIN INDENTURE OF DEED, BY VIRTUE OF "CANADA EVIDENCE ACT" [10/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"DEED IN ACCORDANCE WITH STANDARD FORMS OF CONVEYANCES ACT" [10/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"SCHEDULE A: PARCELS CONVEYED UNTO THE GRANTOR BY LARRY E. KUCA, TRUSTEE"	C. CARTER	J. SEIDEL
02/03/94*	"AFFIDAVIT IN THE MATTER OF THE MARITAL PROPERTY BY MARY FREEMAN RE: CAMPOBELLO" [10/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"SCHEDULE D BY MARY FREEMAN" [10/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"ASSIGNMENT OF INDENTURE BETWEEN MARY FREEMAN AND LANIS YARBROUGH" [6/30/93]	C. CARTER	J. SEIDEL
02/03/94*	"SCHEDULE D BY MARY FREEMAN AS TRUSTEE FOR CAMPOBELLO AND BY VIRTUE OF 'THE CANADA EVIDENCE ACT" [10/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"CERTIFICATION BY NOTARY PUBLIC, STATE OF ARKANSAS" [10/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"CERTIFICATION BY NOTARY PUBLIC, STATE OF KANSAS" [10/29/92]	C. CARTER	J. SEIDEL
02/03/94*	"INDENTURE BETWEEN MARY FREEMAN AND LANIS YARBROUGH" [10/21/92], "SCHEDULE D" AND "CERTIFICATION BY NOTARY PUBLIC" [10/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"INDENTURE 125657 BETWEEN MARY FREEMAN AND MADISON GUARANTY PURSUANT TO CAMPOBELLO PROPERTIES VENTURE TRUST AGREEMENT" [10/21/92], "SCHEDULE D" AND "CERTIFICATION BY NOTARY PUBLIC" [10/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK, CANADA - TRIAL DIVISION - NOTICE OF ACTION WITH STATEMENT OF CLAIM ATTACHED, JOHN F. D'ARCANGELO VS. MARY FREEMAN, AS TRUSTEE FOR CAMPOBELLO PROPERTIES VENTURE" [7/31/92]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"AVIS DE CREDIT - CANADIAN COAST GUARD BASE EN RE MARY FREEMAN C/O STEWART MCELVEY STERLING SCALES TO CANCEL WATER LOT LEASE #113301, HEAD HARBOUR, CAMPOBELLO, NEW BRUNSWICK" [11/15/93]	C. CARTER	J. SEIDEL
02/03/94*	"CANADIAN COAST GUARD LETTER RE: TERMINATION OF LEASE 113301, MARY FREEMAN HEAD HARBOUR, CAMPOBELLO, NEW BRUNSWICK" [11/2/93]	C. CARTER	J. SEIDEL
02/03/94*	"FOOD SERVICE ESTABLISHMENT LICENSE #201934 FOR ISLAND CLUB LODGE, CAMPOBELLO ISLAND, OPERATOR LESLEY SAVAGE" [3/15/93 FOR PERIOD 4/1/93 TO 3/31/94]	C. CARTER	J. SEIDEL
02/03/94*	"FOOD SERVICE ESTABLISHMENT LICENSE #201707 FOR ISLAND CLUB LODGE, CAMPOBELLO ISLAND, OPERATOR LESLEY SAVAGE" [3/2/92 FOR PERIOD 4/1/92 TO 3/31/93]	C. CARTER	J. SEIDEL
02/03/94*	"NEW BRUNSWICK DEPT. OF TOURISM, RECREATION AND HERITAGE TOURIST ESTABLISHMENT LICENSE #639 FOR CAMPOBELLO ISLAND CLUB LODGE"	C. CARTER	J. SEIDEL
02/03/94*	"CERTIFICATE OF REGISTRATION, LIQUOR LICENSE AND ROOMS AND MEALS" [6/15/85]	C. CARTER	J. SEIDEL
02/03/94*	"FOOD SERVICE ESTABLISHMENT LICENSE #201707 FOR ISLAND CLUB LODGE, CAMPOBELLO ISLAND, OPERATOR LESLEY SAVAGE" [3/15/93 FOR PERIOD 4/1/93 TO 3/31/94]	C. CARTER	J. SEIDEL
02/03/94*	"FOOD SERVICE ESTABLISHMENT LICENSE #201934 FOR ISLAND CLUB LODGE, CAMPOBELLO ISLAND, OPERATOR LESLEY SAVAGE" [3/2/92 FOR PERIOD 4/1/92 TO 3/31/93]	C. CARTER	J. SEIDEL
02/03/94*	"NEW BRUNSWICK DEPT. OF TOURISM, RECREATION AND HERITAGE TOURIST ESTABLISHMENT LICENSE #639 FOR CAMPOBELLO ISLAND CLUB LODGE"	C. CARTER	J. SEIDEL
02/03/94*	"CERTIFICATE OF REGISTRATION, LIQUOR LICENSE AND ROOMS AND MEALS" [6/15/85]	C. CARTER	J. SEIDEL
02/03/94*	"CAMPOBELLO COMPANY PROPERTY OWNERS ASSOCIATION DISCOUNT" [9/1/92]	C. CARTER	J. SEIDEL
02/03/94*	"LEASE BETWEEN HER QUEEN IN RIGHT OF THE PROVINCE OF NEW BRUNSWICK, AS REPRESENTED BY THE MINISTER OF TOURISM - THE LESSOR - AND CAMPOBELLO DEVELOPMENT LTD - LESSEE" [3/25/86]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"LETTER OF TESTIMONY BY NICHOLE P. DAVIS FOR SEC'Y OF STATE, BILL McCUEN, THAT ATTACHED IS A TRUE COPY OF THE ENTIRE FILE OF CAMPOBELLO REALTY CO." [4/28/92]	C. CARTER	J. SEIDEL
02/03/94*	"ARTICLES OF INCORPORATION OF CAMPOBELLO REALTY CO." [12/7/84]	C. CARTER	J. SEIDEL
02/03/94*	"LETTER OF TESTIMONY BY SABRINA THREET FOR SEC'Y OF STATE, BILL McCUEN, THAT ATTACHED IS A TRUE COPY OF THE ENTIRE FILE OF MADISON FINANCIAL CORP." [2/5/92]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS APPLICATION FOR REGISTRATION OF FICTITIOUS NAME MADISON FINANCIAL CORP. T/A (AKA) MADISON REAL ESTATE" [?/??/86]	C. CARTER	J. SEIDEL
02/03/94*	"ARTICLES OF INCORPORATION OF MADISON FINANCIAL CORPORATION" [2/3/82]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS APPLICATION FOR REGISTRATION OF FICTITIOUS NAME - MADISON FINANCIAL CORP. T/A (AKA) MADISON MARKETING [7/26/86]	C. CARTER	J. SEIDEL
02/03/94*	"NOTICE OF CHANGE OF REGISTERED OFFICE AND REGISTERED AGENT" [8/22/85] FILED [9/16/85]	C. CARTER	J. SEIDEL
02/03/94*	"ADVISEMENT BY ARKANSAS DEPT. OF FINANCE AND ADMINISTRATION THAT DELINQUENT FRANCHISE TAX HAS BEEN PAID" QUALIFIED 2/3/82 FILED [6/7/84]	C. CARTER	J. SEIDEL
02/03/94*	"STATE OF ARKANSAS CHANGE OF REGISTERED AGENT AND REGISTERED OFFICE OF MADISON FINANCIAL CORPORATION" [9/28/92]	C. CARTER	J. SEIDEL
02/03/94*	"ARTICLES OF INCORPORATION OF MADISON FINANCIAL CORPORATION" [2/3/82]	C. CARTER	J. SEIDEL
02/03/94*	"MORTGAGE BETWEEN LARRY E. KUCA AND MADISON GUARANTY" [4/30/93]	C. CARTER	J. SEIDEL
02/03/94*	"INDENTURE BETWEEN LARRY E. KUCA AND MADISON GUARANTY" [9/5/86]	C. CARTER	J. SEIDEL
02/03/94*	"INDENTURE BETWEEN LARRY E. KUCA AND MADISON GUARANTY" [9/5/86]	C. CARTER	J. SEIDEL
02/03/94*	"INDENTURE BETWEEN LARRY E. KUCA AND MADISON GUARANTY" [1/16/87]	C. CARTER	J. SEIDEL
02/03/94*	"INDENTURE BETWEEN LARRY E. KUCA AND MADISON GUARANTY" [4/6/87]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"INDENTURE BETWEEN LARRY E. KUCA AND MADISON GUARANTY. LOTS COLLATERAL OF FEROLIE, GILMORE, GARLAND, ET AL..." [8/11/88]	C. CARTER	J. SEIDEL
02/03/94*	"INDENTURE BETWEEN LARRY E. KUCA AND MADISON GUARANTY. LOTS COLLATERAL OF DORSEY, WHEELER, RUTLEDGE, ET AL... #110102" [8/11/88]	C. CARTER	J. SEIDEL
02/03/94*	"INDENTURE BETWEEN MARY FREEMAN AND MADISON GUARANTY" [5/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"INDENTURE BETWEEN MARY FREEMAN AND MADISON GUARANTY" [5/15/89]	C. CARTER	J. SEIDEL
02/03/94*	"INDENTURE BETWEEN MARY FREEMAN AND MADISON GUARANTY" [10/2/90]	C. CARTER	J. SEIDEL
02/03/94*	"FORM A15.1 COLLATERAL MORTGAGE BETWEEN BURNHAM MATTHEWS AND MARY FREEMAN" "WITH SCHEDULES A, B & C AND AFFIDAVITS" [7/12/89]	C. CARTER	J. SEIDEL
02/03/94*	"FORM A13 DEED UNDER THE STANDARD FORMS OF CONVEYANCE ACT AMONGST THREE PARTIES: LARRY E. KUCA, HENRY P. LOMBARDELLI, CAMPOBELLO ISLAND CLUB, INC." "WITH SCHEDULES A, C, E & D, STATUTORY DECLARATION AND AFFIDAVIT BY LARRY KUCA & NOTARY PUBLIC" [4/4/86]	C. CARTER	J. SEIDEL
02/03/94*	"CERTIFICATION BY NOTARY PUBLIC, NADEEN M. DANIELS" [5/29/86]	C. CARTER	J. SEIDEL
02/03/94*	"OATH OF LARRY E. KUCA IN PROVINCE OF NEW BRUNSWICK ON BEHALF OF CAMPOBELLO" [7/16/86]	C. CARTER	J. SEIDEL
02/03/94*	"FORM A15.1 COLLATERAL MORTGAGE BETWEEN HENRY P. LOMBARDELLI AND LARRY E. KUCA UNDER STANDARD FORMS OF CONVEYANCE ACT FOR $4,300.00 PLUS 12% INTEREST AS EVIDENCED BY 8/27/85 PROMISSORY NOTE, SCHEDULES A, B, C AND AFFIDAVITS" [5/29/86]	C. CARTER	J. SEIDEL
02/03/94*	"FORM A15.1 COLLATERAL MORTGAGE BETWEEN HENRY P. LOMBARDELLI AND LARRY E. KUCA UNDER STANDARD FORMS OF CONVEYANCE ACT FOR $15,250.00 PLUS 12% INTEREST AS EVIDENCED BY 8/27/85 PROMISSORY NOTE, SCHEDULES A, B, C AND AFFIDAVITS" [5/29/86] REGISTERED BY COUNTY OF CHARLOTTE AS #103379 IN BOOK #323 [7/16/86]	C. CARTER	J. SEIDEL
02/03/94*	"AGREEMENT OF COVENANT TO ASSUME MORTGAGE BETWEEN FREDERICK B. SHEEHY AND MADISON GUARANTY" [6/6/90]	C. CARTER	J. SEIDEL

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94•	"NOTARY PUBLIC'S AFFIDAVIT OF AUTHENTICITY OF 6/6/90 AGREEMENT" REGISTERED BY COUNTY OF CHARLOTTE, #116078, BOOK 435 [6/25/90]	C. CARTER	J. SEIDEL
02/03/94•	"FORM A15.1 COLLATERAL MORTGAGE UNDER STANDARD FORMS OF CONVEYANCE ACT B/N CATHERINE M. SHEEHY AND LARRY E. KUCA FOR PROMISSORY NOTE OF 6/14/86, SCHEDULES A, B, C, AFFIDAVIT AND REGISTRATION" [10/20/86]	C. CARTER	J. SEIDEL
02/03/94•	"FORM A13 DEED FOR LARRY E. KUCA, CATHERINE SHEEHY & CAMPOBELLO ISLAND CLUB, INC., SCHEDULES A,B,C,D (RECITALS), E, AFFIDAVIT, STATUTORY DECLARATION, OATH OF LARRY KUCA, AND NOTARY PUBLIC CERTIFICATION" [10/14/86]	C. CARTER	J. SEIDEL
02/03/94•	"FORM A15.1 COLLATERAL MORTGAGE UNDER STANDARD FORMS OF CONVEYANCE ACT B/N DONALD ROBBINS AND LARRY E. KUCA FOR PROMISSORY NOTE OF 7/26/86, SCHEDULES A, B, C, AFFIDAVIT AND REGISTRATION" [11/12/86]	C. CARTER	J. SEIDEL
02/03/94•	"FORM A13 DEED FOR LARRY E. KUCA, DONALD ROBBINS & CAMPOBELLO ISLAND CLUB, INC., SCHEDULES A,C,D (RECITALS), E, AFFIDAVIT, STATUTORY DECLARATION, OATH OF LARRY KUCA, AND NOTARY PUBLIC CERTIFICATION" [10/14/86]	C. CARTER	J. SEIDEL
02/03/94•	"FINANCIAL CONSERVATORS, INC. ASSET INSPECTION REPORT ON CASTLE SEWER AND WATER CO. - APPEARANCE OF PROPERTY AS A 'CLOSED BUSINESS'" AND "ENVIRONMENTAL CHECKLIST INSPECTION FORM COMPLETED BY SARAH HAWKINS" [11/5/91]	C. CARTER	J. SEIDEL
02/03/94•	"CIERRA, INC. TECHNICAL REPORT OF ENVIRONMENTAL AUDIT PREPARED FOR RTC, TULSA, OK IN ANTICIPATION OF LITIGATION WITH LETTER AND RECOMMENDATIONS TO ED STOUT, RTC LEGAL" [8/91]	C. CARTER	J. SEIDEL
02/03/94•	"APPRAISAL REPORT: CASTLE SEWER AND WATER CORPORATION, MADISON GUARANTY ASSET NO. 3358 PREPARED BY PYRON & ASSOCIATES FOR FINANCIAL CONSERVATORS, INC." [2/3/92]	C. CARTER	J. SEIDEL
02/03/94•	"ADDENDUM LETTER TO APPRAISAL REPORT BY PYRON & ASSOCIATES" [2/12/92]	C. CARTER	J. SEIDEL
02/03/94•	"LETTER OF ENGAGEMENT/AGREEMENT TO PREPARE APPRAISAL REPORT B/N PYRON & ASSOCIATES AND FINANCIAL CONSERVATORS, INC." [10/27/91] [1/4/92]	C. CARTER	J. SEIDEL

• - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"UNIFORM APPRAISAL INSTRUCTIONS TO APPRAISER FOR RTC REAL ESTATE PROPERTIES"	C. CARTER	J. SEIDEL
02/03/94*	"PHOTOGRAPHS OF CASTLE WATER AND SEWER CORPORATION AND SURROUNDINGS"	C. CARTER	J. SEIDEL
02/03/94*	"PYRON AND ASSOCIATES - MICHAEL T. PYRON - PROFESSIONAL QUALIFICATIONS, LICENSING AND CERTIFICATION" [12/24/91]	C. CARTER	J. SEIDEL
02/03/94*	"VICINITY MAP"	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT 'A' DESCRIPTIONS PERTAINING TO PHOTOGRAPHS AND MAPS OF TRACTS AND EASEMENTS" [2/6/86]	C. CARTER	J. SEIDEL
02/03/94*	"PROGRESS REPORT FOR CAO RE: IMPROVEMENTS & PROGRESS SCHEDULE BY CASTLE WATER AND SEWER COMPANY [10/30/91 & 10/29/91]	C. CARTER	J. SEIDEL
02/03/94*	"LETTER FROM CASTLE SEWER & WATER CO. TO ARKANSAS DEPT. OF POLLUTION CONTROL & ECOLOGY RE: NPDES PERMIT #AR0040266, PROGRESS REPORT AND SCHEDULE" [10/30/91]	C. CARTER	J. SEIDEL
02/03/94*	"LETTER FR ARKANSAS DEPT. OF POLLUTION CONTROL & ECOLOGY TO CASTLE WATER & SEWER RE: VIOLATIONS OF ARK. WATER & AIR POLLUTION ACT" [2/15/91]	C. CARTER	J. SEIDEL
02/03/94*	"LETTER FR ARKANSAS DEPT. OF POLLUTION CONTROL & ECOLOGY TO CASTLE WATER & SEWER RE: VIOLATIONS OF ARK. WATER & AIR POLLUTION ACT" [5/7/91]	C. CARTER	J. SEIDEL
02/03/94*	"LETTER FR ARKANSAS DEPT. OF POLLUTION CONTROL & ECOLOGY TO CASTLE WATER & SEWER RE: VIOLATIONS OF ARK. WATER & AIR POLLUTION ACT & CONDITIONS OF PERMIT NO. AR0040266" [10/1/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS DEPT. OF HEALTH PUBLIC WATER SANITARY SURVEY OF CASTLE WATER SYSTEM" [6/1/90]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS DEPT. OF HEALTH LETTER TO RANDALL RUDOLPH, SUPERINTENDENT, CASTLE SEWER & WATER CO. RE: SANITARY SURVEY INSPECTION" [6/1/90]	C. CARTER	J. SEIDEL
02/03/94*	"DEFINITIONS FOR CHARGE CODES"	C. CARTER	J. SEIDEL

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"MASTER CUSTOMER LIST OF CASTLE WATER" [1/21/92]	C. CARTER	J. SEIDEL
02/03/94*	"CIERRA, INC. LTR. TO ED STOUT, RTC LEGAL, TULSA, OK RE: RECOMMENDATIONS OF TRANSFORMER REPLACEMENT, ADVANCED TREATMENT AND SECURITY FENCES WITH RESPECT TO CONTRACT #0731-91-0308-001" [8/19/91]	C. CARTER	J. SEIDEL
02/03/94*	"MAPS OF LITTLE ROCK SOUTH-INDUSTRIAL PARK, INDUSTRIAL DEVELOPMENT CO."	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION (NO. LR-C-89-216): RTC, SUCCESSOR TO MADISON GUARANTY AND MADISON FINANCIAL, PLAINTIFF VS. FROST & CO., DEFENDANTS - MOTION TO COMPEL DISCOVERY OR, IN THE ALTERNATIVE, TO EXCLUDE TESTIMONY" [1/31/91]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION (NO. LR-C-89-216): RTC, SUCCESSOR TO MADISON GUARANTY AND MADISON FINANCIAL, PLAINTIFF VS. FROST & CO., DEFENDANTS - PENDING DOCUMENTS REQUESTED BY DEFENDANTS" [ ]	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD LITIGATION AND PROOFS OF CLAIM - PART I OF IV PARTS" TITLE PAGE	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION: REPLY BRIEF IN SUPPORT OF APPELLEE WARD'S MOTION TO DISMISS: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL CORP. CIVIL NO.LR-C-89-807" [2/25/91]	C. CARTER	J. SEIDEL
02/03/94*	"RESPONSE TO MOTION TO DISMISS, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL" [2/19/91]	C. CARTER	J. SEIDEL
02/03/94*	"AFFIDAVIT OF DAVID M. SWISS, MANAGING ATTY FOR KANSAS CITY CONSOLIDATED OFFICE ON BEHALF OF RTC IN THE MATTER OF SETH WARD V. RTC AS CONSERVATOR..." [2/19/91]	C. CARTER	J. SEIDEL
02/03/94*	"BRIEF IN SUPPORT OF RESPONSE TO MOTION TO DISMISS, SETH WARD VS. RTC AS CONSERVATOR" [2/19/91]	C. CARTER	J. SEIDEL
02/03/94*	"MOTION TO DISMISS BY WARD AS ACTION WITH PREJUDICE PURSUANT TO RULE 41(b) OF FEDERAL RULES OF CIVIL PROCEDURE, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL" [2/5/91]	C. CARTER	J. SEIDEL

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"RESPONSE TO MOTION TO TERMINATE ADMINISTRATIVE STAY, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL CORP." [2/5/91]	C. CARTER	J. SEIDEL
02/03/94*	"MEMORANDUM OF LAW IN SUPPORT OF MOTION TO DISMISS, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL CORP." [2/5/91]	C. CARTER	J. SEIDEL
02/03/94*	"MOTION TO TERMINATE ADMINISTRATIVE STAY, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL CORP." [1/25/91]	C. CARTER	J. SEIDEL
02/03/94*	"MOTION FOR SANCTIONS AND MOTION TO STRIKE, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL CORP." [1/11/90]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT A: LETTER TO THE HONORABLE JUDGE REASONER, US DISTRICT JUDGE RE: SETH WARD V. RTC AS CONSERVATOR EMERGENCY MOTION TO ENFORCE STAY OF PROCEEDINGS FROM HARRY LIGHT ON BEHALF OF RTC" [10/30/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT B: TRANSCRIPT OF HEARING BEFORE THE HONORABLE STEPHEN M. REASONER...,SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" EUGENIE M. POWER, OFFICIAL COURT REPORTER, [11/21/89] FILED [10/31/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT C: AFFIDAVIT OF THOMAS RAY IN RE: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/11/90]	C. CARTER	J. SEIDEL
02/03/94*	"MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR SANCTIONS AND MOTION TO STRIKE SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/11/90]	C. CARTER	J. SEIDEL
02/03/94*	"RESPONSE TO MOTION FOR SANCTIONS BY HARRY A. LIGHT, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/20/90]	C. CARTER	J. SEIDEL
02/03/94*	"AFFIDAVIT OF GEORGE PIKE, JR. IN RE: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/22/90]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT B: AFFIDAVIT OF DENNIS S. KLEIN IN RE: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/19/90]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"AFFIDAVIT OF HARRY A. LIGHT IN RE: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/23/90]	C. CARTER	J. SEIDEL
02/03/94*	"LETTER FROM DENNIS S. KLEIN, ESQ., ON BEHALF OF RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL V. SETH WARD, TO THOMAS RAY TO THOMAS RAY, ATTY FOR SETH WARD CITING VIOLATION OF ESCROW AGREEMENT AND 28 U.S.C. 14469d0, RULE 11, FEDERAL RULES OF CIVIL PROCEDURE, AND THE STAY BY JUDGE REASONER" [10/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"APPELLEE'S MOTION TO SUBSTITUTE COUNSEL, FDIC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL V. SETH WARD" [5/1/89]	C. CARTER	J. SEIDEL
02/03/94*	"BRIEF IN SUPPORT OF RESPONSE TO MOTION FOR SANCTIONS, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL" [1/30/90]	C. CARTER	J. SEIDEL
02/03/94*	"RESPONSE TO MOTION TO STRIKE, SETH WARD VS. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [1/30/90]	C. CARTER	J. SEIDEL
02/03/94*	"APPELLEE'S REPLY TO RESPONDENT'S RESPONSE TO MOTION FOR SANCTIONS, SETH WARD VS. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL" [2/2/90]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL BRIEF FOR APPELLANT, NO. CA 89-1980EA" [11/30/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL ADDENDUM FOR APPELLANT, NO. CA 89-1980EA" [4/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL ORDER, NO. CA 89-1980EA" [4/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"TRANSCRIPT OF PROCEEDINGS BEFORE THE HON. STEVEN REASONER, SETH WARD VS. FDIC" [4/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"COURT REPORTER, PEGGE J. MERKEL'S CERTIFICATE FOR TRANSCRIPT OF PROCEEDINGS" [5/12/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"ORDER REINFORCING THE GRANTING OF THE MOTION TO REMAND; DENYING THE DEFENDANT, FDIC'S (AS CONSERVATOR FOR MADISON GUARANTY) REQUEST TO STAY REMAND IN RE: SETH WARD, PLAINTIFF, VS. FDIC, CONSERVATOR FOR MADISON GUARANTY" [5/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS FOR THE EIGHTH CIRCUIT: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY ON APPEAL, NO. CA 89-1980EA: APPENDIX FOR APPELLANT (RTC...)" [3/10/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS FOR THE EIGHTH CIRCUIT: SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY ON APPEAL, NO. CA 89-1980EA: REPLY BRIEF OF APPELLANT (RTC...)" [ ]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT: VERIFICATION OF ADDITIONAL DOCUMENTS TO BE INCLUDED IN RECORD (BY APPELLEE WARD, VIA COUNSEL, SHULTS, RAY & KURRUS) IN RE: SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL [8/2/91]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS, RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL, MOTION FOR RELEASE OF RECORD FILED BY APPELLANT, RTC" [9/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT A: NOTICE OF REMOVAL OF SETH WARD V. RTC AS CONSERVATOR... TO US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION FROM CIRCUIT COURT OF PULASKI COUNTY, ARK, 2ND DIV (CASE NO. 87-7580) & ARKANSAS COURT OF APPEALS (CASE NO. CA 89-1240" [9/29/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT B: IN THE ARKANSAS COURT OF APPEALS, RTC, AS CONSERVATOR FOR MADISON GUARANTY SAVINGS AND LOAN, APPELLANT V. SETH WARD, APPELLEE: RESPONSE IN OPPOSITION TO MOTION FOR RELEASE OF RECORD" [10/3/89]	C. CARTER	J. SEIDEL
02/03/94*	"(EXHIBIT A) IN US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS, WESTERN DIV: SETH WARD, PLAINTIFF V. FDIC, CONSERVATOR FOR MADISON GUARANTY, DEFENDANT: ORDER GRANTING THE PLAINTIFF'S MOTION TO REMAND" [4/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"(EXHIBIT B) IN US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS, WESTERN DIV: SETH WARD, PLAINTIFF V. FDIC, CONSERVATOR FOR MADISON GUARANTY, DEFENDANT: ORDER DENYING DEFENDANT'S REQUEST FOR STAY OF MOTION TO REMAND" [5/22/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"(EXHIBIT C) IN ARKANSAS COURT OF APPEALS, NO. CA 89-124: RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL, APPELLANT V. SETH WARD, APPELLEE: MOTION TO DISMISS APPEAL OR AFFIRM JUDGMENT BY APPELLEE" [10/3/89]	C. CARTER	J. SEIDEL
02/03/94*	"(EXHIBIT D) IN ARKANSAS COURT OF APPEALS, NO. CA 89-124: RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL, APPELLANT V. SETH WARD, APPELLEE: RESPONSE TO MOTION TO DISMISS APPEAL OR AFFIRM JUDGMENT AND MEMORANDUM OF AUTHORITIES IN SUPPORT THEREOF - FILED BY APPELLANT, RTC....APPELLEE" [10/13/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT A: WESTLAW FOUND DOCUMENT: "TRILAND HOLDINGS & CO., PLAINTIFF/APPELLANT V. SUNBELT SERVICE CORP., ET AL, FSLIC AS RECEIVER FOR SUNBELT SAVINGS ASSOC. OF TEXAS, DEFENDANTS/APPELLEES; TRILAND INVESTMENT GROUP, PLAINTIFF-APPELLANT V. FSLIC AS RECEIVER FOR SUNBELT SAVINGS, DEFENDANT-APPELLEE; BRAZOS PARK, INC. ET AL, PLAINTIFFS-APPELLANTS, V. FSLIC, RECEIVER OF MAINLAND SAVINGS ASSOCIATION, DEFENDANT-APPELLEE; AMISTAD CONSTRUCTION CO., PLAINTIFF-APPELLEE V. FSLIC, AS RECEIVER FOR MAINLAND SAVINGS ASSOC., DEFENDANT-APPELLEE - CONSOLIDATED APPEALS" [7/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"LAW OR CHANCERY MANDATE, RTC AS CONSERVATOR FOR MADISON GUARANTY, APPELLANT V. SETH WARD, APPELLEE, FROM PULASKI CIRCUIT COURT, SECOND DIVISION - APPELLANTS' MOTION FOR RELEASE OF RECORD DENIED; APPELLEE'S MOTION TO DISMISS APPEAL OF AFFIRM JUDGMENT IS GRANTED." [10/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: RTC AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL, APPELLANT V. SETH WARD, APPELLEE: APPELLANTS' MOTION TO RELEASE RECORD DENIED; APPEAL DISMISSED" [10/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT F: PETITION FOR REHEARING AND FOR RECALL OF MANDATE OR, IN THE ALTERNATE, MOTION FOR RECONSIDERATION, RTC AS CONSERVATOR V SETH WARD IN ARKANSAS COURT OF APPEALS" [11/13/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT G: APPELLEE'S RESPONSE IN OPPOSITION TO PETITION FOR REHEARING AND FOR RECALL OF MANDATE OR, IN THE ALTERNATIVE, MOTION FOR RECONSIDERATION, RTC AS CONSERVATOR V SETH WARD IN ARKANSAS COURT OF APPEALS" [11/17/89]	C. CARTER	J. SEIDEL

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"LETTER FROM LESLIE W. STEEN, CLERK OF THE SUPREME COURT OF ARKANSAS COURT OF APPEALS, TO HARRY A. LIGHT & HOPKINS, SUTTER, HAMEL & PARK RE:CA89-124, RTC AS CONSERVATOR FOR MADISON GUARANTY ET AL V. SETH WARD" [10/29/89]	C. CARTER	J. SEIDEL
02/03/94*	"MOTION TO SUBSTITUTE PARTY, SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY ET AL V. SETH WARD" [7/8/91]	C. CARTER	J. SEIDEL
02/03/94*	"OFFICE OF THRIFT SUPERVISION: REPLACEMENT OF A CONSERVATOR WITH A RECEIVER, MADISON GUARANTY - ISSUED UNDER DELEGATED AUTHORITY" [10/30/90]	C. CARTER	J. SEIDEL
02/03/94*	"JUDGMENT IN FAVOR OF SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY ET AL V. SETH WARD" [7/31/91]	C. CARTER	J. SEIDEL
02/03/94*	"TRANSCRIPT OF HEARING BEFORE THE HONORABLE STEPHEN M. REASONER, CASE NO. LR-C-89-807, SETH WARD, PLAINTIFF V. RTC, AS CONSERVATOR FOR MADISON GUARANTY ET AL" [8/11/91]	C. CARTER	J. SEIDEL
02/03/94*	"BRIEF FOR THE RESPONDENTS IN OPPOSITION, SUPREME COURT OF THE US, SETH WARD, PETITIONER V. RTC AS RECEIVER FOR MADISON GUARANTY ET AL (NO.92-935)" [OCT. TERM 1992]	C. CARTER	J. SEIDEL
02/03/94*	"PETITION FOR A WRIT OF CERTIORARI TO THE US COURT OF APPEALS FOR THE EIGHTH CIRCUIT, SETH WARD, PETITIONER, V. RTC AS RECEIVER FOR MADISON GUARANTY ET AL (NO.92-935)" [OCT. TERM 1992]	C. CARTER	J. SEIDEL
02/03/94*	"STIPULATION OF DISMISSAL WITH PREJUDICE AGAINST ALL CLAIMS AND COUNTERCLAIMS AGAINST EACH OTHER AND TO THE FINAL DISMISSAL OF THE ACTION, SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY ET AL (NO.92-935)" [4/30/93]	C. CARTER	J. SEIDEL
02/03/94*	"SETTLEMENT AGREEMENT AND RELEASE, SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY ET AL (NO.92-935)" [4/30/93]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS EIGHTH CIRCUIT CALENDAR NOTICE TO COUNSEL AND JUDGES, DIVISION I,II,III" [5/93]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"REPLY TO OPPOSITION TO PLAINTIFF'S MOTION TO STAY DEFENDANTS' MOTION FOR SUMMARY JUDGMENT, ETC., SETH WARD V. RTC AS CONSERVATOR FOR MADISON GUARANTY ET AL (CIVIL NO. LR-C-89-807)" [2/4/93]	C. CARTER	J. SEIDEL
02/03/94*	"OPPOSITION TO PLAINTIFF'S MOTION TO STAY CONSIDERATION OF RTC'S MOTION FOR SUMMARY JUDGMENT, ETC., SETH WARD, PLAINTIFF, V. RTC AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL" [1/22/93]	C. CARTER	J. SEIDEL
02/03/94*	"BRIEF IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT OR, IN THE ALTERNATIVE, RENEWED MOTION FOR RELIEF FROM JUDGMENT AND MOTION FOR REINSTATEMENT OF ESCROW FUNDS" [12/15/92]	C. CARTER	J. SEIDEL
02/03/94*	"AFFIDAVIT BY LANIS YARBROUGH EN RE SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL (IN STATE OF KANSAS, COUNTY OF JOHNSON)" [12/10/92]	C. CARTER	J. SEIDEL
02/03/94*	"AFFIDAVIT BY CARLEEN RYAN EN RE SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL (IN STATE OF MISSOURI, COUNTY OF JACKSON)" [12/10/92]	C. CARTER	J. SEIDEL
02/03/94*	"MADISON GUARANTY S&L ASSOC. BOARD OF DIRECTORS MTG MINUTES" [9/17/87]	C. CARTER	J. SEIDEL
02/03/94*	"REPLY TO RESPONSE TO PETITION FOR STAY OF MANDATE, SETH WARD V. RTC, AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL IN THE US COURT OF APPEALS, EIGHTH DISTRICT, NO. CA 91-3015 EALR" [9/17/92]	C. CARTER	J. SEIDEL
02/03/94*	"RESPONSE TO PETITION FOR STAY OF MANDATE, SETH WARD, APPELLEE, V. RTC, AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS, IN THE US COURT OF APPEALS, EIGHTH DISTRICT, NO. CA 91-3015 EALR" [9/9/92]	C. CARTER	J. SEIDEL
02/03/94*	"PETITION FOR STAY OF MANDATE, SETH WARD, PLAINTIFF-APPELLEE, V. RTC, AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, DEFENDANTS-APPELLANTS, IN THE US COURT OF APPEALS, EIGHTH DISTRICT, NO. CA 91-3015 EALR" [9/8/92]	C. CARTER	J. SEIDEL
02/03/94*	"VERIFIED BILL OF COSTS INCURRED BY RTC AS PER HARRY LIGHT EN RE: SETH WARD, PLAINTIFF-APPELLEE, V. RTC, AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, DEFENDANTS-APPELLANTS, IN THE US COURT OF APPEALS, EIGHTH DISTRICT, NO. CA 91-3015 EALR" [8/12/92]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"US COURT OF APPEALS, EIGHTH DISTRICT, NO. CA 91-3015 EALR, ORDER DENYING PETITION FOR REHEARING AND SUGGESTION FOR REHEARING EN BANC EN RE: SETH WARD, APPELLEE, V. RTC, AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANT" [9/3/92]	C. CARTER	J. SEIDEL
02/03/94*	"PETITION FOR REHEARING WITH SUGGESTION FOR REHEARING EN BANC: SETH WARD, PLAINTIFF-APPELLEE, V. RTC, AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, DEFENDANTS-APPELLANTS, IN THE US COURT OF APPEALS, EIGHTH DISTRICT, NO. CA 91-3015 EALR" [8/10/92]	C. CARTER	J. SEIDEL
02/03/94*	"APPEAL FROM THE US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS IN THE US COURT OF APPEALS FOR EIGHTH, REVERSE AND REMAND BY APPELLANTS EN RE: SETH WARD, APPELLEE V. RTC AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, DEFENDANTS-APPELLANTS, NO. 91-3015EA. SUBMITTED [5/12/92] FILED [7/20/92]	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD: LITIGATION AND PROOFS OF CLAIM, PART II OF IV PARTS" (COVER PAGE)	C. CARTER	J. SEIDEL
02/03/94*	"MEMORANDUM IN SUPPORT OF THE FSLIC'S MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, TO STAY REMAND OF THIS ACTION PENDING APPEAL, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO. LR-C-89-180" [5/??/8?]	C. CARTER	J. SEIDEL
02/03/94*	"FEDERAL HOME LOAN BANK BOARD APPOINTMENT OF CONSERVATOR FOR MADISON GUARANTY ISSUED UNDER DESIGNATED AUTHORITY, NO. 89-483P W/ ATTACHMENT" [2/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"FEDERAL HOME LOAN BANK BOARD AUTHORIZATION TO RECEIVE PAYMENTS AND HONOR WITHDRAWALS, MADISON GUARANTY, ISSUED UNDER DELEGATED AUTHORITY, NO.89-484P" [2/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"FEDERAL HOME LOAN BANK BOARD AUTHORIZATION TO INDEMNIFY SPECIAL REPRESENTATIVES OF CONSERVATOR, MADISON GUARANTY, NO.89-485p" [2/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"FEDERAL HOME LOAN BANK BOARD APPOINTMENT OF CONSERVATOR FOR MADISON GUARANTY ISSUED UNDER DESIGNATED AUTHORITY, NO. 89-486P" [2/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"FEDERAL HOME LOAN BANK BOARD IMPLEMENTATION RESOLUTION, MADISON GUARANTY ISSUED UNDER DESIGNATED AUTHORITY, NO. 89-487p" [2/28/89]	C. CARTER	J. SEIDEL

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"MANAGEMENT AGREEMENT AMONG THE FEDERAL HOME LOAN BANK BOARD, FSLIC AND FDIC" [2/7/89]	C. CARTER	J. SEIDEL
02/03/94*	"MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, TO STAY REMAND OF THIS ACTION PENDING APPEAL, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO. LR-C-89-180" [5/12/89]	C. CARTER	J. SEIDEL
02/03/94*	"TRANSCRIPT OF PROCEEDINGS BEFORE THE HONORABLE STEVEN REASONER, SETH WARD VS. FDIC, APPEARANCES: THOMAS RAY FOR PLAINTIFF AND GEORGE PIKE, FRIDAY, ELDRIDGE & CLARK, FOR DEFENDANT" [4/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"PLAINTIFF'S REPLY TO DEFENDANT'S RESPONSE IN OPPOSITION TO MOTION TO REMAND, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO. LR-C-89-180 (ARK COURT OF APPEALS CO. CA 89-124)" [4/19/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT A: 'STIPULATION AND CONSENT TO ENTRY OF ORDER TO CEASE AND DESIST' IN THE MATTER OF MADISON GUARANTY, FEDERAL HOME LOAN BANK BOARD RESOLUTION NO.86-851, USA BEFORE THE FSLIC" [8/15/86]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT B: FEDERAL HOME LOAN BANK RESOLUTION NO.86-851 - PROPOSED FINAL ORDER TO CEASE AND DESIST." [8/15/86]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT C: 'ORDER TO CEASE AND DESIST CEASE AND DESIST' IN THE MATTER OF MADISON GUARANTY, FEDERAL HOME LOAN BANK BOARD RESOLUTION NO.86-851, USA BEFORE THE FSLIC" [8/15/86]	C. CARTER	J. SEIDEL
02/03/94*	"RESPONSE OF FEDERAL DEPOSIT INSURANCE CORP, CONSERVATOR FOR MADISON GUARNATY, IN OPPOSITION TO REMAND AND BRIEF IN SUPPORT, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO.LR-C-89-180" [4/14/89]	C. CARTER	J. SEIDEL
02/03/94*	"PLAINTIFF'S MEMORANDUM OF LAW IN SUPPORT OF MOTION TO REMAND, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO.LR-C-89-180" [3/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"NOTICE OF REMOVAL, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO.LR-C-89-180" [3/10/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"ORDER REWARDING WARD ATTORNEY'S FEES AND COSTS AS SANCTIONS, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO.LR-C-89-180" [9/14/90]	C. CARTER	J. SEIDEL
02/03/94*	"LETTER VIA TELECOPY TO ST.VRAIN, CLERK, US COURT OF APPEALS OF THE EIGHTH DISTRICT, FROM THOMAS RAY, SHULTS, RAY & KURRUS ON BEHALF OF SETH WARD V. FDIC, ET AL RE: EXPIRATION OF TIME FOR FILING OF RESPONSE" [7/11/89]	C. CARTER	J. SEIDEL
02/03/94*	"LTR FR GEORGE PIKE, JR., FRIDAY, ELDREDGE & CLARK, ON BEHALF OF FDIC AS CONSERVATOR, ET AL, TO LESLIE STEEN, CLERK, ARK COURT OF APPEALS, REQUESTING ACCEPTANCE OF RESPONSE OF APPELLEE AS TIMELY, AS WELL AS DENIAL OF RESPONSE ON MERITS" [7/12/89]	C. CARTER	J. SEIDEL
02/03/94*	"LTR FR. ROBERT ST.VRAIN, CLERK, US COURT OF APPEALS FOR THE EIGHTH CIRCUIT, TO JEDDELOH, FDIC, PIKE, FRIDAY,ELDREDGE&CLARK, BATES, HOPKINS,SUTTER,HAMEL & PORK IN RE:FSLIC ORDER" [6/21/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS, 8TH DISTRICT,NO 89-1961, IN RE FSLIC, PETITIONER: ON PETITION FOR WRIT OF MANDAMUS TO THE US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, ORDER DENYING MOTION OF PETITIONER FOR EMERGENCY STAY OF ORDER OF REMAND; PETITION FOR WRIT OF MANDAMUS STILL PENDING" SUBMITTED [6/15/89] FILED [6/21/89]	C. CARTER	J. SEIDEL
02/03/94*	"LTR FR GEORGE PIKE REQUESTING CLERK TO FILE NOTICE OF APPELLANT TO FILE SEPARATE APPENDIX, IN RE SETH WARD V. FDIC, ET AL" [6/26/89]	C. CARTER	J. SEIDEL
02/03/94*	"NOTICE OF APPELLANT TO FILE SEPARATE APPENDIX, SETH WARD, APPELLEE, V FDIC, AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY S&L" [6/26/89]	C. CARTER	J. SEIDEL
02/03/94*	"RESPONSE IN OPPOSITION TO FDIC'S EMERGENCY MOTION TO STAY ORDER OF REMAND PENDING DISPOSITION OF PETITION FOR WRIT OF MANDAMUS, IN RE: FSLIC, AS CONSERVATOR OF MADISON GUARANTY, BY FDIC, AS MANAGER FOR THE CONSERVATOR, PETITIONER, V. SETH WARD, RESPONDENT" [6/14/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT A: STIPULATION & CONSENT TO ENTRY OR ORDER TO CEASE AND DESIST, IN THE MATTER OF MADISON GUARANTY, FHLBB (FED HOME LOAN BANK BOARD) BEFORE FSLIC" [8/15/86]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"EXHIBIT B: ORDER TO CEASE AND DESIST, IN THE MATTER OF MADISON GUARANTY, FHLBB BEFORE FSLIC" [8/15/86]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT C: ESCROW AGREEMENT B/N SETH WARD, MADISON GUARANTY, & NORTHERN BANK & TRUST" [10/4/88]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT D: FIRST CLASS ENVELOPED ADDRESSED TO THOMAS RAY"	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT E: SETH WARD V. FDIC, CONSERVATOR, NOTICE OF REMOVAL" [3/10/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT F: ORDER DENYING MOTION FOR STAY REMAND, IN RE: SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [5/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT G: MOTION TO REMAND IN RE: SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [3/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT H: PLAINTIFF'S MEMORANDUM OF LAW IN SUPPORT OF MOTION TO REMAND N RE: SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [3/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT I: PLAINTIFF'S REPLY TO DEFENDANTS' RESPONSE IN OPPOSITION TO MOTION TO REMAND N RE: SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [4/19/89]	C. CARTER	J. SEIDEL
02/03/94*	"LETTER FR GEORGE PIKE ON BEHALF OF FDIC TO CLERK, US COURT OF APPEALS, 8TH CIRCUIT RE: NO.89-1980EA, SETH WARD V FDIC ET AL, CERTIFICATE ATTACHMENT FOR FILING" [6/23/89]	C. CARTER	J. SEIDEL
02/03/94*	"CERTIFICATE OF INTERESTED PERSONS, SETH WARD V FDIC AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY" [6/23/89]	C. CARTER	J. SEIDEL
02/03/94*	"APPEARANCE DOCUMENT, GEORGE PIKE, JR., FOR FDIC"	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT F: ORDER DENYING MOTION FOR STAY REMAND, IN RE: SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [5/22/89] FILED [5/23/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT I: PLAINTIFF'S REPLY TO DEFENDANT' RESPONSE IN OPPOSITION TO MOTION TO MOTION TO REMAND N RE: SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [4/19/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"DEFENDANT'S REPLY TO PLAINTIFF'S OPPOSITION TO FDIC'S MOTION TO RECONSIDER OR STAY ORDER OF REMAND, SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [5/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"BRIEF OF APPELLANTS, SETH WARD, APPELLEE V RTC, RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS IN THE US COURT OF APPEALS, 8TH CIRCUIT, NO.91-3015EA"	C. CARTER	J. SEIDEL
02/03/94*	"JUDGMENT ATTACHMENT (NO. LR-C-89-807) UNDER APPEAL" [7/31/91]	C. CARTER	J. SEIDEL
02/03/94*	"APPENDIX FOR APPELLANTS SETH WARD, APPELLEE V RTC, RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS IN THE US COURT OF APPEALS, 8TH CIRCUIT, NO.91-3015EA"	C. CARTER	J. SEIDEL
02/03/94*	"APPENDIX FOR APPELLANTS SETH WARD, APPELLEE V RTC, RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS IN THE US COURT OF APPEALS, 8TH CIRCUIT, NO.91-3015EA"	C. CARTER	J. SEIDEL
02/03/94*	"APPENDIX TABLE OF CONTENTS"	C. CARTER	J. SEIDEL
02/03/94*	"USDC CIVIL DOCKET, WARD V. RTC AS RECEIVER FOR MADISON GUARANTY & MADISON FINANCIAL" FILED [9/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"COMPLAINT OF SETH WARD VS. MADISON GUARANTY AND MADISON FINANCIAL CORPORATION" [9/2/87]	C. CARTER	J. SEIDEL
02/03/94*	"LETTER TO SETH WARD FROM JIM MCDOUGAL RE: LAND NORTH OF 145TH STREET & UTILITY PLANTS" [9/3/85]	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD LTR TO JAMES MCDOUGAL RE: AGREEMENT CONCERNING PROPERTY OWNED BY INDUSTRIAL DEVELOPMENT CO." [9/24/85]	C. CARTER	J. SEIDEL
02/03/94*	"ADDENDUM TO AGREEMENT BETWEEN SETH WARD AND JAMES C. MCDOUGAL RE: LITTLE ROCK SOUTH INDUSTRIAL PARK" [9/24/85]	C. CARTER	J. SEIDEL
02/03/94*	"IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS, SECOND DIVISION, SETH WARD V. MADISON GUARANTY SAVINGS & LOAN ASSOCIATION, AND MADISON FINANCIAL CORPORATION: ANSWER TO NO.87-7580 IN DEFENSE" [9/22/87]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580: COUNTERCLAIM OF DEFENDANTS V. PLAINTIFF" [6/2/88]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT A TO COUNTERCLAIM, DEFENDANTS, MADISON GUARANTY, ET AL, V. PLAINTIFF, SETH WARD: CONSUMER BUSINESS LOAN DOCUMENT" [6/10/86]	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580: CAPTION & APPEARANCES OF COUNSEL AND WITNESSES, EXAMINATIONS AND CROSS-EXAMINATIONS" [8/30&31/88]	C. CARTER	J. SEIDEL
02/03/94*	"PROCEEDINGS OF COUNSEL AND WITNESSES, EXAMINATIONS AND CROSS-EXAMINATIONS, SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580" [8/30&31/88]	C. CARTER	J. SEIDEL
02/03/94*	"PROCEEDINGS OF COUNSEL AND WITNESSES, EXAMINATIONS AND CROSS-EXAMINATIONS, SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580 (PAGES 92-116)" [8/30&31/88]	C. CARTER	J. SEIDEL
02/03/94*	"PROCEEDINGS OF COUNSEL AND WITNESSES, EXAMINATIONS AND CROSS-EXAMINATIONS, SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580 (PAGES 117-169)" [8/30&31/88]	C. CARTER	J. SEIDEL
02/03/94*	"PROCEEDINGS OF COUNSEL AND WITNESSES, EXAMINATIONS AND CROSS-EXAMINATIONS, SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580 (PAGES 171,177,179)" [8/30&31/88]	C. CARTER	J. SEIDEL
02/03/94*	"PROCEEDINGS OF COUNSEL AND WITNESSES, EXAMINATIONS AND CROSS-EXAMINATIONS, SETH WARD V. MADISON GUARANTY AND MADISON FINANCIAL, NO 87-7580 (PAGES 192-201)" [8/30&31/88]	C. CARTER	J. SEIDEL
02/03/94*	"IN THE CIRCUIT COURT OF PULASKI COUNTY, SETH WARD VS. MADISON GUARANTY & MADISON FINANCIAL: JUDGMENT" [9/6/88]	C. CARTER	J. SEIDEL
02/03/94*	"IN THE CIRCUIT COURT OF PULASKI COUNTY, SETH WARD VS. MADISON GUARANTY & MADISON FINANCIAL: ORDER AWARDING DAMAGES AND ATTORNEYS' FEES" [9/30/88]	C. CARTER	J. SEIDEL
02/03/94*	"IN THE CIRCUIT COURT OF PULASKI COUNTY, SETH WARD VS. MADISON GUARANTY & MADISON FINANCIAL: NOTICE OF APPEAL AND DESIGNATION OF RECORD" [10/6/88]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"US DISTRICT COURT, IN THE EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION, SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR-C-89-8070: NOTICE OF REMOVAL" [9/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR-C-89-8070: ORDER GRANTING REHEARING OF PREVIOUS DECISION DISMISSING DEFENDANT'S APPEAL OF THE REMAND ORDER" [10/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR-C-89-8070: ORDER GRANTING DEFENDANT'S MOTION TO TERMINATE ADMINISTRATIVE STAY AND SCHEDULING OF HEARING TO DISCUSS FURTHER MATTERS" [7/3/91]	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR-C-89-8070: MOTION TO SUBSTITUTE PARTY" [7/8/91]	C. CARTER	J. SEIDEL
02/03/94*	"OTS REPLACEMENT OF CONSERVATOR WITH A RECEIVER, MADISON GUARANTY, ISSUED UNDER DELEGATED AUTHORITY, RECITALS" [10/30/90]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT, IN THE EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION, SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR-C-89-8070: ORDER GRANTING SUBSTITUTION OF RTC AS RECEIVER IN PLACE OF AS CONSERVATOR" [7/9/91]	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL: MOTION FOR RELIEF FROM JUDGMENT" [6/11/91]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT, IN THE EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION, SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR-C-89-8070: TRANSCRIPT OF HEARING BEFORE THE HONORABLE STEPHEN M. REASONER, US DISTRICT JUDGE." [7/19/91]	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL: NOTICE OF APPEAL" [8/30/91]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"US DISTRICT COURT, IN THE EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION, SETH WARD VS. RTC, AS CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL (NO.LR-C-89-8070: TRANSCRIPT OF HEARING BEFORE THE HONORABLE STEPHEN M. REASONER, US DISTRICT JUDGE." [10/30/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS, RTC AS CONSERVATOR... V. SETH WARD, APPELLEE - LAW OR CHANCERY MANDATE" [10/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"PLAINTIFF'S EXHIBIT 12 (87-7580): BUSINESS INVESTMENT LOAN DOCUMENT" [10/15/85]	C. CARTER	J. SEIDEL
02/03/94*	"DEFENDANT'S EXHIBIT: LETTER FROM SETH WARD TO JIM MCDOUGAL RE: PROPERTY COMMONLY REFERRED TO AS ALL LAND OWNED BY INDUSTRIAL DEVELOPMENT CO." [9/24/85]	C. CARTER	J. SEIDEL
02/03/94*	"DEFENDANT'S EXHIBIT 5 (87-7580): LETTER FROM SETH WARD TO JIM MCDOUGAL MARKED 'VOID'" [9/24/85]	C. CARTER	J. SEIDEL
02/03/94*	"PLAINTIFF'S EXHIBIT 4 (87-7580): LETTER FROM SETH WARD TO JIM MCDOUGAL RE: PROPERTY COMMONLY REFERRED TO AS ALL LAND OWNED BY INDUSTRIAL DEVELOPMENT CO. AND CERTAIN IMPROVEMENTS THEREON, AGREEMENT" [9/24/85]	C. CARTER	J. SEIDEL
02/03/94*	"ADDENDUM TO AGREEMENT B/N SETH WARD & JAMES B. MCDOUGAL" [9/24/85]	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD - COMMISSIONS, MADISON FINANCIAL CORP. DEFENDANT'S EXHIBIT 21" [ ]	C. CARTER	J. SEIDEL
02/03/94*	"MADISON FINANCIAL CORP. COMMISSION ACCOUNT - DUE SETH WARD RE: SALE OF PROPERTY ACQUIRED FROM LITTLE ROCK INDUSTRIAL DEVELOPMENT CO. SIGNED BY JAMES B. McDOUGAL. DEFENDANT'S EXHIBIT 15" [7/10/86]	C. CARTER	J. SEIDEL
02/03/94*	"BLANK PAGE"	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD LOAN HISTORIES CHART, DEFENDANT'S EXHIBIT 27"	C. CARTER	J. SEIDEL
02/03/94*	"WORKSHEET: COMMISSION ACCOUNT - DUE SETH WARD" [7/1/86]	C. CARTER	J. SEIDEL
02/03/94*	"OPTION TO PURCHASE REAL ESTATE GRANTED BY SETH WARD AND WIFE, YVONNE ANNA WARD, TO MADISON FINANCIAL CORP." [5/1/86]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"MADISON GUARANTY S&L: NOTE MODIFICATION FOR SETH WARD" [6/6/86]	C. CARTER	J. SEIDEL
02/03/94*	"MADISON GUARANTY S&L: NOTE MODIFICATION" [6/6/86]	C. CARTER	J. SEIDEL
02/03/94*	"MADISON GUARANTY S&L: NOTE MODIFICATION" [6/9/86]	C. CARTER	J. SEIDEL
02/03/94*	"FEDERAL HOME LOAN BANK BOARD RESOLUTION NO.86-851: APPROVAL AND ISSUANCE OF PROPOSED STIPULATION AND CONSENT TO ENTRY OF ORDER TO CEASE AND DESIST" [8/15/86]	C. CARTER	J. SEIDEL
02/03/94*	"US BEFORE FSLIC, FEDERAL HOME LOAN BANK BOARD RES. #86-851 IN THE MATTER OF MADISON GUARANTY: ORDER TO CEASE AND DESIST" [8/15/86]	C. CARTER	J. SEIDEL
02/03/94*	"RULES AND REGULATIONS OF THE ARKANSAS S&L ASSOCIATION BOARD"	C. CARTER	J. SEIDEL
02/03/94*	"IN US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS, WESTERN DIV.: ECONO-WAY HOMES, INC., PLAINTIFF, (CIVIL NO.LR-C-89-230) V. GLENN JANAC & RTC AS CONSERVATOR FOR MADISON GUARANTY, DEFENDANTS; CROSS-COMPLAINT BY RTC, CONSERVATOR FOR MADISON GUARANTY, COUNTER-CLAIMANT, V. GLENN JANAC & ECONO-WAY HOMES, INC., CROSS-DEFENDANT, COUNTER-DEFENDANTS; GLENN JANAC AND ECONO-WAY HOMES, INC., CROSS-COMPLAINANT V RTC, CONSERVATOR, CROSS-DEFENDANT; RTC, CONSERVATOR FOR MADISON GUARANTY, PLAINTIFF V. J&K PAVING, INC,KETCHER & CO., INC., CARTUNES, INC., & W. ELLIS ARNOLD III, DEFENDANTS: ORDER GRANTING RTC'S MOTION FOR RELIEF FROM JUDGMENT, VACATING AWARDING JANAC A $200,000 SET-OFF AGAINST THE JUDGMENT AWARDED MADISON ON ITS PROMISSORY NOTE, DENYING MOTION FOR A NEW TRIAL, AND DIRECTING RTC TO SUBMIT A PRECEDENT FOR JUDGMENT IN CONFORMITY WITH THE ORDER W/I 15 DAYS" [3/9/90]	C. CARTER	J. SEIDEL
02/03/94*	"CHAP. 16, PG. 381 FDIC - STATUTE OF LIMITATIONS, AGREEMENT AS BASIS OF CLAIM, AGREEMENTS AGAINST INTERESTS OF CORPORATION"	C. CARTER	J. SEIDEL
02/03/94*	"FEDERAL REGISTER, RULES AND REGULATIONS - OPERATIONS: 563.9-8, REGULATION OF DIRECT INVESTMENT INEQUITY SECURITIES, REAL ESTATE, SERVICE CORPORATIONS, AND OPERATING SUBSIDIARIES" [2/19/85]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"HARRY A. LIGHT (FRIDAY, ELDREDGE & CLARK) LTR TO CASE MGR, US COURT OF APPEALS RE: NO 91-3015 EARL; SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY ET AL: REVISED ADDENDUM ATTACHED FOR INCLUSION IN APPELLANTS' BRIEF" [11/19/91]	C. CARTER	J. SEIDEL
02/03/94*	"REVISED ADDENDUM FOR INCLUSION IN APPELLANTS' BRIEF - PROVIDED TO COURT AND APPELLEE" [11/19/91]	C. CARTER	J. SEIDEL
02/03/94*	"CIRCUIT COURT OF PULASKI COUNTY, 2ND DIV: JUDGMENT IN RE SETH WARD VS MADISON GUARANTY ET AL: $353,502.57 DUE PLAINTIFF, PLUS 10% INTEREST" [9/6/88]	C. CARTER	J. SEIDEL
02/03/94*	"EXCERPTS FROM EUGENIE POWER'S TRANSCRIPTS IN WHICH COURT RECOMMENDS JUDGMENT, IN EFFECT ADOPTING THE STATE COURT JUDGMENT..."	C. CARTER	J. SEIDEL
02/03/94*	"EXCERPTS FROM COURT TRANSCRIPTS: WITNESS, , TESTIMONY" [ ]	C. CARTER	J. SEIDEL
02/03/94*	"EXCERPTS FROM COURT TRANSCRIPTS: WITNESS, , TESTIMONY IN WHICH DEFENDANTS EXHIBIT 3 IS DISCUSSED, FINANCIAL CORP. TAKING AN OPTION TO PURCHASE...TO PAY COMMISSIONS TO SETH WARD; CROSS-EXAMINATION" [ ]	C. CARTER	J. SEIDEL
02/03/94*	"EXCERPTS FROM COURT TRANSCRIPTS: WITNESS,[APPEARS TO BE FORMER ACCOUNTANT AT MADISON FINANCIAL], TESTIMONY IN WHICH WITNESS IS ASKED TO DISCUSS SALE OF PROPERTY AT I-30 AND SCOTT HAMILTON, COMMISSIONS PAID THAT SHOULD HAVE BEEN EXPENSED ON THE BOOKS OF THE CORPORATION, AND HOW BONUSES ON PROFITS WERE CALCULATED (PAID ON THE RED ROOF INN). ALSO, WITNESS IS ASKED ABOUT DEFENDANTS' EXHIBIT 40. IN CROSS-EXAMINATION, MR. YOUNG IS ASKED ABOUT FIGURES CREDITED AGAINST MR. WARD'S NOTE AND RECORDING OF NOTES AND/OR LOAN PROCEEDS..."	C. CARTER	J. SEIDEL
02/03/94*	"EXCERPTS FROM COURT TRANSCRIPTS: WITNESS, MR. YOUNG, DISCUSSING DEFENDANTS' EXHIBIT 40, PLAINTIFFS' EXHIBITS 4 & 5, DOCUMENTS MISSING FROM FILES, CHANGING OF LOCATIONS AND "PREPARATION" FOR UPCOMING FED. HOME LOAN BANK EXAMINERS - ALLEGED COVER-UP"	C. CARTER	J. SEIDEL
02/03/94*	"PLAINTIFF'S EXHIBIT 5: VOIDED LETTER, SETH WARD TO JIM MCDOUGAL" [9/24/85]	C. CARTER	J. SEIDEL
02/03/94*	"PLAINTIFF'S EXHIBIT 5: LETTER, SETH WARD TO JIM MCDOUGAL" [9/24/85]	C. CARTER	J. SEIDEL

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"IN THE US COURT OF APPEALS FOR THE EIGHTH CIRCUIT, NO. CA 91-3015 EALR, SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY, AND MADISON FINANCIAL CORP. BRIEF OF APPELLEE - BY THOMAS RAY, SHULTS, RAY & KURRUS [12/19/91]	C. CARTER	J. SEIDEL
02/03/94*	"ARK. COURT OF APPEALS (NOT DESIGNATED FOR PUBLICATION), APPELLANTS' MOTION TO RELEASE RECORD DENIED, RTC AS CONSERVATOR & MADISON FINANCIAL, APPELLANTS V. SETH WARD, PER CURIAM" [10/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"IN THE US COURT OF APPEALS FOR THE EIGHTH CIRCUIT, NO. CA 91-3015 EALR, SETH WARD V. RTC AS RECEIVER FOR MADISON GUARANTY, AND MADISON FINANCIAL CORP. SUPPLEMENTAL APPENDIX FOR APPELLEE - BY THOMAS RAY, SHULTS, RAY & KURRUS [ ]	C. CARTER	J. SEIDEL
02/03/94*	"ARK. COURT OF APPEALS, APPELLANTS' RESPONSE IN OPPOSITION TO PETITION FOR REHEARING AND FOR RECALL OF MANDATE OR, IN THE ALTERNATIVE, MOTION FOR RECONSIDERATION" RTC CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS V. SETH WARD, PER CURIAM" [10/17/89]	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD: LITIGATION AND PROOFS OF CLAIM: PART III OF IV PARTS"	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT: MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, TO STAY, REMAND OF THIS ACTION PENDING APPEAL, SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [5/12/89]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT: MEMORANDUM IN SUPPORT OF THE FSLIC'S MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, TO STAY, REMAND OF THIS ACTION PENDING APPEAL, SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [5/12/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS: EMERGENCY MOTION TO STAY ORDER OF REMAND PENDING DISPOSITION OF PETITION FOR WRIT OF MANDAMUS IN RE: FSLIC, IN ITS CAPACITY AS CONSERVATOR OF MADISON GUARANTY, BY FDIC, AS MANAGER FOR THE CONSERVATOR, PETITIONER" [6/13/89]	C. CARTER	J. SEIDEL
02/03/94*	"ORDER DENYING MOTION FOR STAY BY DEFENDANT, FDIC, CONSERVATOR" [5/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"ORDER GRANTING MOTION TO REMAND, SETH WARD VS. FDIC, CONSERVATOR FOR MADISON GUARANTY" [4/28/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"US DISTRICT COURT: TRANSCRIPT OF PROCEEDINGS BEFORE HON. STEVEN REASONER, SETH WARD VS. FDIC" [4/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"LTR TO ST.VRAIN, CLERK, US COURT OF APPEALS RE: WARD V. FDIC AS CONSERVATOR, FR GEORGE PIKE REQUESTING FILING OF APPELLANTS' FORM A, PETITION FOR WRIT OF MANDAMUS, EMERGENCY MOTION TO STAY ORDER OF REMAND PENDING DISPOSITION OF PETITION FOR WRIT OF MANDAMUS" [6/13/89]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT: NOTICE OF APPEALS, IN RE WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY" [6/13/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS - EIGHTH CIRCUIT APPELLANTS' FORM A - APPEAL INFO FORM FILED W/ NOTICE OF APPEAL; SETH WARD, APPELLEE, TOM RAY, SHULTS,RAY&KURRIS, COUNSEL V. FDIC, MGR FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY, OF COUNSEL GEORGE PIKE, FRIDAY,ELDREDGE & CLARK"	C. CARTER	J. SEIDEL
02/03/94*	"PETITION FOR WRIT OF MANDAMU TO US DISTRICT COURT FOR EASTERN DISTRICT OF ARK WESTERN DIVISION, IN RE: FSLIC, AS CONSERVATOR OF MADISON GUARANTY, BY FDIC, AS MGR. FOR CONSERVATOR, PETITIONER" [6/13/89]	C. CARTER	J. SEIDEL
02/03/94*	"DEFINITION OF SAVINGS & LOAN INSURANCE: JURISDICTION AND ENFORCEMENT - CODE"	C. CARTER	J. SEIDEL
02/03/94*	"WESTLAW IN RE, SAVERS FSLIC AS CONSERVATOR: WRIT OF MANDAMUS GRANTED & DISTRICT COURT REMAND ORDER VACATED; CHANGE OF VENUE AND TRANSFER OF CAUSES; REMOVAL OF CASES; COURT OPINIONS"	C. CARTER	J. SEIDEL
02/03/94*	"WESTLAW IN RE FIRST STATE BANK OF WAYNE COUNTY, KENTUCKY, PLAINTIFF-APPELLEE, V. THE CITY AND COUNTY BANK OF KNOX COUNTY, TENNESSEE, DEFENDANT-APPELLEE, EVIDENCE, BANKS & BANKING, PRECEDENT REFERENCES, ETC. [1989]	C. CARTER	J. SEIDEL
02/03/94*	"CAPTION AND TRANSCRIPT, SETH WARD VS. MADISON GUARANTY S&L ASSOC. & MADISON FIN. CORP." [8/30&31/88]	C. CARTER	J. SEIDEL
02/03/94*	"PLAINTIFF'S EXHIBIT 4 (ATTACHED TO ORIGINAL TRANSCRIPT) COVER PAGE"	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"PLAINTIFF'S EXHIBIT 4: LETTER OF AGREEMENT B/N WARD & JIM MCDOUGAL" [9/24/85]	C. CARTER	J. SEIDEL
02/03/94*	"ADDENDUM TO AGREEMENT B/N SETH WARD & JAMES B. MCDOUGAL, LEGAL DESCRIPTION" [9/24/85]	C. CARTER	J. SEIDEL
02/03/94*	"WARRANTY DEED: INDUSTRIAL DEVELOPMENT CO. & MADISON FINANCIAL CORP. (PLAINTIFF'S EXH. 8" [10/8/85]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT A: TRACTS AFFECTED"	C. CARTER	J. SEIDEL
02/03/94*	"PLAINTIFF'S EXHIBIT 12 (EXHIBIT ATTACHED TO ORIGINAL TRANSCRIPT) COVER PAGE"	C. CARTER	J. SEIDEL
02/03/94*	"PLAINTIFF'S EXHIBIT 12: BUSINESS INVESTMENT LOAN TO SETH WARD BY MADISON GUARANTY"	C. CARTER	J. SEIDEL
02/03/94*	"DEFENDANT'S EXHIBIT 7 (EXHIBIT ATTACHED TO ORIGINAL TRANSCRIPT) COVER PAGE"	C. CARTER	J. SEIDEL
02/03/94*	"DEFENDANT'S EXHIBIT 7: LETTER OF AGREEMENT B/N WARD & MCDOUGAL"	C. CARTER	J. SEIDEL
02/03/94*	"DEFENDANT'S EXHIBIT 15: MADISON FINANCIAL CORP. DOCUMENTATION OF COMMISSION ACCT. DUE SETH WARD, AS OF JULY 1, 1986" [7/10/86]	C. CARTER	J. SEIDEL
02/03/94*	"DEFENDANT'S EXHIBIT 31 (EXHIBIT ATTACHED TO ORIGINAL TRANSCRIPT) COVER PAGE"	C. CARTER	J. SEIDEL
02/03/94*	"DEFENDANT'S EXHIBIT 31: MEMO FR JIM MCDOUGAL TO SETH WARD RE: INDUSTRIAL PROPERTY, SALE AND MADISON'S OPTION" [9/3/85]	C. CARTER	J. SEIDEL
02/03/94*	"ARK COURT OF APPEALS: MADISON GUARANTY & MADISON FINANCIAL CORP. V. SETH WARD: MOTION OF APPELLANTS TO EXTEND TIME FOR FILING OF ABSTRACT AND BRIEF" [8/2/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS NO.89-1980EA, SETH WARD V. FDIC, AS MGR FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY: MOTION TO DISMISS; SUBMITTED BY THOMAS RAY" [6/27/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS NO.89-1980EA, SETH WARD, APPELLEE, V. FDIC, AS MGR FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY, APPELLANT: RESPONSE OF FDIC, AS MGR FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY S&L TO MOTION OF SETH WARD TO DISMISS; SUBMITTED BY GEORGE PIKE" [7/11/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"ARK COURT OF APPEALS: RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL V. SETH WARD, PETITION FOR REHEARING AND FOR RECALL OF MANDATE OR, IN THE ALTERNATE, MOTION FOR RECONSIDERATION" [11/13/89]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT FOR EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION NO. LR-C-89-807, SETH WARD, PLAINTIFF, V. RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL: EMERGENCY MOTION TO ENFORCE STAY OF PROCEEDINGS" [10/30/89]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT FOR EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION NO. LR-C-89-807, SETH WARD, PLAINTIFF, V. RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL: NOTICE OF REMOVAL" [9/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARK COURT OF APPEALS: RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL V. SETH WARD, MOTION TO DISMISS APPEAL OF AFFIRM JUDGMENT (EXH B)" [10/3/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARK COURT OF APPEALS: RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL, APPELLANTS V. SETH WARD, APPELLEE, RESPONSE TO MOTION TO DISMISS APPEAL OF AFFIRM JUDGMENT AND MEMORANDUM OF AUTHORITIES IN SUPPORT THEREOF (EXH C)" [10/13/89]	C. CARTER	J. SEIDEL
02/03/94*	"WESTLAW: TRILAND HOLDINGS V. SUNBELT SERVICE CORP; TRILAND INVESTMENT GROUP V. FSLIC; BRAZOS PARK, INC., ET AL V FSLIC, RECEIVER OF MAINLAND SAVINGS ASSOC.; AMISTAD CONSTRUCTION CO. V. FSLIC, AS RECEIVER FOR MAINLAND SAVINGS - PLAINTIFF-APPELLANTS V. DEFENDANTS-APPELLEES. -- CONSOLIDATED APPEALS. COURT OF APPEALS CIRCUIT JUDGE HELD (1) THAT FED. DISTRICT COURTS HAD JURISDICTION; (2)COURT OF APPEALS TO ADDRESS MOOTNESS ISSUE EVEN THOUGH ACTIONS WERE DISMISSED ON SUBJECT-MATTER JURISDICTION GROUNDS; & (3) DISTRICT COURTS'S DECISION TO POSTPONE HEARING ON FSLIC SANCTIONS MOTION DID NOT RENDER COURT'S ORDER A NONFINAL JUDGMENT FOR PURPOSES OF APPEAL. (EXHIBIT A)" [1989]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT D: ARK COURT OF APPEALS: RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL, APPELLANTS V. SETH WARD, APPELLEE: APPELLANTS' MOTION TO RELEASE RECORD DENIED; APPEAL DISMISSED (NOT DESIGNATED FOR PUBLICATION) PER CURIAM" [10/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"LAW OR CHANCERY MANDATE: APPELLANTS' MOTION FOR RELEASE OF RECORD DENIED. APPELLEE'S MOTION TO DISMISS APPEAL OR AFFIRM JUDGMENT GRANTED" [10/25/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"EXHIBIT E: LTR. FR THOMAS RAY TO JUDGE REASONER RE: CONFIRMATION OF UNDERSTANDING OF THE STAY IN RE: SETH WARD V. RTC, AS CONSERVATOR FOR MADISON GUARANTY, & MADISON FINANCIAL, NO.LR-C-89-807" [10/27/89]	C. CARTER	J. SEIDEL
02/03/94*	"SUPERSEDEAS ORDER: IN THE CIRCUIT COURT OF PULASKI IN RE: WARD VS. MADISON GUARANTY & MADISON FINANCIAL" [11/15/88]	C. CARTER	J. SEIDEL
02/03/94*	"ESCROW AGREEMENT B/N SETH WARD, MADISON GUARANTY & WORTHEN BANK & TRUST CO. (ESCROW AGENT). MADISON GUARANTY AGREED TO POST SECURITY IN LIEU OF SUPERSEDEAS BOND BY DEPOSIT..." [11/9/88]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT G: LTR FR DENNIS KLEIN, HOPKINS, SUTTER, HAMEL & PARK, FOR RTC AS CONSERVATOR FOR MADISON GUARANTY ET AL TO THOMAS RAY, COUNSEL FOR WARD RE: MAKE FORMAL DEMAND THAT MONEY RELEASED FROM WORTHEN BANK & TRUST BE IMMEDIATELY REDEPOSITED, AS ACTION WAS A BREACH OF ESCROW AGREEMENT" [10/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"MEMORANDUM OF LAW OF RTC, CONSERVATOR FOR MADISON GUARANTY S&L, AND MADISON FINANCIAL CORP. IN SUPPORT OF EMERGENCY MOTION TO ENFORCE STAY OF PROCEEDINGS, WARD V. RTC AS CONSERVATOR ET AL" [10/30/89]	C. CARTER	J. SEIDEL
02/03/94*	"ORDER GRANTING REHEARING OF ITS PREVIOUS POSITION DISMISSING DEFENDANT'S APPEAL OF REMAND ORDER; ACTION STAYED PENDING 8TH CIRCUIT'S DECISION ON REHEARING, CLERK TO ADMINISTRATIVELY TERMINATE CASE PENDING 8TH CIRCUIT OUTCOME, SUBJECT TO REOPENING ONCE DECISION HAS BEEN REACHED, ETC..., SETH WARD V. RTC, CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL" [10/26/89]	C. CARTER	J. SEIDEL
02/03/94*	"IN US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION, NO. LR-C-89-807: RESPONSE AND BRIEF OF RTC AS CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL IN OPPOSITION TO MOTION TO REMAND, IN RE: SETH WARD V., RTC, CONSERVATOR, ET AL" [10/3/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: RESPONSE TO MOTION TO DISMISS APPEAL OR AFFIRM JUDGMENT AND MEMORANDUM OF AUTHORITIES IN SUPPORT THEREOF, RTC, AS CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL, APPELLANTS, VS. SETH WARD, APPELLEE" [10/13/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"WESTLAW EXHIBIT A: CONSOLIDATED APPEALS, TRILAND HOLDINGS V. SUNBELT SERVICE CORP; TRILAND INVESTMENT GROUP V. FSLIC; BRAZOS PARK, INC., ET AL V FSLIC, RECEIVER OF MAINLAND SAVINGS ASSOC.; AMISTAD CONSTRUCTION CO. V. FSLIC, AS RECEIVER FOR MAINLAND SAVINGS, ETC. AND JUDGE'S COMBINED OPINION" [1989-FIFTH CIRCUIT, TEXAS]	C. CARTER	J. SEIDEL
02/03/94*	"LTR FR CLERK, SUPREME COURT OF ARKANSAS, COURT OF APPEALS ADVISING COUNSELS PIKE AND BATES IN RE: CA89-124, FDIC, CONSERVATOR V WARD THAT COURT ORDERED GRANTING OF APPELLANT'S MOTION TO STAY BRIEF FOR 45 DAYS AND THAT APPELLEE'S MOTION TO DISMISS APPEAL DENIED" [8/16/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: MOTION TO SUBSTITUTE PARTY, MADISON GUARANTY AND MADISON FINANCIAL V. SETH WARD" [8/14/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: APPELLEE'S RESPONSE IN OPPOSITION TO APPELLANTS' MOTION TO SUBSTITUTE PARTY, FDIC, CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL V. SETH WARD" [8/13/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: APPELLEE'S SUPPLEMENTAL RESPONSE IN OPPOSITION TO APPELLANTS' MOTION FOR EXTENSION OF TIME TO FILE ABSTRACT AND BRIEF, FDIC, CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL V. SETH WARD" [5/23/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: APPELLEE'S RESPONSE IN OPPOSITION TO APPELLANTS' MOTION FOR EXTENSION OF TIME TO FILE ABSTRACT AND BRIEF, FDIC, CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL V. SETH WARD" [5/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: MEMORANDUM OF LAW IN SUPPORT OF APPELLEE'S RESPONSE IN OPPOSITION TO APPELLANTS' MOTION FOR EXTENSION OF TIME TO FILE ABSTRACT AND BRIEF, FDIC, CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL V. SETH WARD, NO.CA89-124" [5/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: MOTION OF APPELLANTS TO EXTEND TIME TO FILE ABSTRACT AND BRIEF, FDIC, CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL V. SETH WARD, NO.CA89-124" [5/19/89] **date stamped 5/19/87 in error**	C. CARTER	J. SEIDEL

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"US DISTRICT COURT FOR EASTERN DISTRICT OF ARKANSAS WESTERN DIVISION, SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY, NO.LR-C-89-180: MEMORANDUM IN SUPPORT OF THE FSLIC'S MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, TO STAY REMAND OF THIS ACTION PENDING APPEAL" [5/12/89	C. CARTER	J. SEIDEL
02/03/94*	"EXTENSION FOR FILING APPELLANTI TO JULY 10, 1989 AUTHORIZED BY CLERK OF ARKANSAS COURT OF APPEALS IN RE: NO.CA89-124, MADISON GUARANTY ET AL V. WARD" [5/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"MEMORANDUM TO ALL COUNSEL RE: PROMULGATION OF EIGHTH CIRCUIT RULE 8(E)" [9/23/86]	C. CARTER	J. SEIDEL
02/03/94*	"BRIEFING CHECKLIST BY CLERK OF US COURT OF APPEALS, 8TH DISTRICT"	C. CARTER	J. SEIDEL
02/03/94*	"CLERK OF US COURT OF APPEALS, 8TH CIRCUIT LETTER TO LAWRENCE BATES, ESQ, HOPKINS, SUTTER ET AL RE:89-1961 IN RE RTC & 89-1980EA WARD V RTC - OPINION AND BRIEFING SCHEDULE ATTACHED" [10/30/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS, 8TH CIRCUIT ORDER: NO.89-1961 IN RE: RTC, PETITIONER ON PETITION FOR WRIT OF MANDAMUS...,NO.89-1980, WARD V. RTC, APPELLANT: APPELLANT'S PETITION GRANTED" [10/20/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS, 8TH CIRCUIT MEMORANDUM: RE: REVISED EIGHTH CIRCUIT RULE 7 - THE DESIGNATED RECORD ON APPEAL" [7/20/88]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS, 8TH CIRCUIT, NO. 89-1961 IN RE: RTC, PETITIONER ON PETITION FOR WRIT OF MANDAMUS...,NO.89-1980, WARD V. RTC, APPELLANT: OPINION OF THE COURT"	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS, 8TH CIRCUIT, NO. 89-1961 IN RE: RTC, PETITIONER ON PETITION FOR WRIT OF MANDAMUS...,NO.89-1980, WARD V. RTC, APPELLANT: MOTION OF RTC TO BE SUBSTITUTED AS PETITIONER IN PLACE OF FSLIC, IN 89-1861 AND IN PLACE OF FDIC IN NO.89-1980" [9/7/89]	C. CARTER	J. SEIDEL
02/03/94*	"LTR FR THOMAS RAY TO LINDA PENBERTHY, SR. DEPUTY CLERK, US COURT OF APPEALS-8TH CIRCUIT WITH APPELLEE SETH WARD'S RESPONSE TO PETITION FOR REHEARING IN NOS.89-1961, RTC ET AL AND 89-1980, WARD V. RTC, ET AL" [9/15/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"US COURT OF APPEALS-8TH CIRCUIT, FSLIC, PETITIONER NO.89-1961 AND WARD V FDIC, APPELLANT: APPELLEE'S RESPONSE TO PETITION FOR REHEARING" [9/15/89]	C. CARTER	J. SEIDEL
02/03/94*	"CIRCUIT COURT OF PULASKI COUNTY, 2ND DIVISION: SETH WARD V MADISON GUARANTY AND MADISON FINANCIAL: REDIRECT EXAMINATION OF SHERRY BARTLEY, ESQ." [ ]	C. CARTER	J. SEIDEL
02/03/94*	"CIRCUIT COURT OF PULASKI COUNTY, 2ND DIVISION: SETH WARD V MADISON GUARANTY AND MADISON FINANCIAL, NO.87-7580: JUDGMENT" [8/30/88]	C. CARTER	J. SEIDEL
02/03/94*	"HR101-54 PART 1: FINANCIAL INSTITUTIONS, RECOVERY AND ENFORCEMENT ACT OF 1989" [5/16/89]	C. CARTER	J. SEIDEL
02/03/94*	"HR101-54 PART 3: FINANCIAL INSTITUTIONS, RECOVERY AND ENFORCEMENT ACT OF 1989: SUPPLEMENTAL REPORT" [6/1/89]	C. CARTER	J. SEIDEL
02/03/94*	"FEDERAL BANKING LAW REPORTS: SPECIAL REPORT #1281: FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989" [4/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"S.774"	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT D: FEDERAL BANKING LAW REPORTS: SPECIAL REPORT #1281: FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989 - CONFERENCE REPORT" [4/25/89]	C. CARTER	J. SEIDEL
02/03/94*	"FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989 - CONFERENCE REPORT 101-222 (TO ACCOMPANY HR 1278)"	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT: WARD V FDIC, CONSERVATOR FOR MADISON GUARANTY: ORDER DENYING MOTION FOR STAY" [5/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS FOR 8TH CIRCUIT RE: 89-1961/1980 LTR FR ST. VRAIN TO LAWRENCE BATES RE OPINION ENTERED INTO AND DIRECTING HOW TO FILE PETITION FOR REHEARING" [8/7-14/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS FOR 8TH CIRCUIT NOS.89-1961,89-1980, PETITION FOR WRIT OF MANDAMUS AND ON APPEAL" [7/18/89] FILED [8/7/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT E: US DISTRICT COURT, SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY, LR-C-89-180: ORDER DENYING MOTION FOR STAY" [5/22/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"US COURT OF APPEALS FOR 8TH CIRCUIT RE: 89-1961/1980 LTR FR ST. VRAIN (BY MARILYN MCDONALD, DEPUTY CLERK/OPINIONS TO LAWRENCE BATES RE OPINION ENTERED INTO AND DIRECTING HOW TO FILE PETITION FOR REHEARING" [8/7-14/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT E: US DISTRICT COURT, SETH WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY, LR-C-89-180: ORDER DENYING MOTION FOR STAY" [5/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS FOR 8TH CIRCUIT RE: 89-1961/1980 LTR FR ST. VRAIN (BY MARILYN MCDONALD, DEPUTY CLERK/OPINIONS TO LAWRENCE BATES RE OPINION ENTERED INTO AND DIRECTING HOW TO FILE PETITION FOR REHEARING" [8/7-14/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT A: US COURT OF APPEALS, 8TH DISTRICT NOS.89-1961, 89-1980 IN RE FSLIC ON PETITION FOR WRIT OF MANDAMUS..., WARD V FDIC ON APPEALS" SUBMITTED [7/18/89] FILED [8/7/89]	C. CARTER	J. SEIDEL
02/03/94*	"LTR FR GEORGE PIKE, JR., FRIDAY, ELDREDGE & CLARK TO ST.VRAIN, CLERK, US COURT OF APPEALS RE: WARD V FDIC, RESPONSE OF FDIC AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY TO WARD MOTION TO DISMISS." [7/11/89]	C. CARTER	J. SEIDEL
02/03/94*	"LTR FR GEORGE PIKE, JR., FRIDAY, ELDREDGE & CLARK TO ST.VRAIN, CLERK, US COURT OF APPEALS RE: WARD V FDIC, RESPONSE OF FDIC AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY TO WARD MOTION TO DISMISS." [7/11/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS, 8TH CIRCUIT: WARD V FDIC, RESPONSE OF FDIC AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY TO WARD MOTION TO DISMISS, WRITTEN BY GEORGE PIKE, JR." [7/11/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS, 8TH CIRCUIT: WARD V FDIC, AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY: APPELLEE, WARD'S MOTION TO DISMISS" [6/30/89]	C. CARTER	J. SEIDEL
02/03/94*	"LTR. FR THOMAS RAY, SHULTS, RAY & KURRUS ON BEHALF OF APPELLEE SETH WARD: MOTION TO DISMISS TO ST. VRAIN, CLERK, US COURT OF APPEALS" [6/27/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS, 8TH CIRCUIT: SETH WARD V FDIC AS MANAGER FOR FSLIC, CONSERVATOR FOR MADISON GUARNATY: WARD'S MOTION TO DISMISS (NO.89-1980EA)"	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"CIRCUIT COURT OF PULASKI COUNTY, ARK, 2ND DIVISION, NO.87-7580: WARD, PLAINTIFF V. MADISON GUARANTY AND MADISON FINANCIAL: NOTICE OF APPEAL AND DESIGNATION OF RECORD (EXHIBIT A)" [10/6/88]	C. CARTER	J. SEIDEL
02/03/94*	"IN US DISTRICT COURT FOR EASTERN DIV. ARKANSAS, WESTERN DIVISION, NO.LR-C-89-180: WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY: NOTICE OF REMOVAL TO USDC, EDA (EXHIBIT B) [3/10/89]	C. CARTER	J. SEIDEL
02/03/94*	"IN US DISTRICT COURT FOR EASTERN DIV. ARKANSAS, WESTERN DIVISION, NO.LR-C-89-180: WARD V. FDIC, CONSERVATOR FOR MADISON GUARANTY: ORDER GRANTING PLAINTIFF'S MOTION TO REMAND (EXHIBIT C)" [4/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION DOCKET NO.LR-C-89-180: SETH WARD V. FDIC: TRANSCRIPT OF PROCEEDINGS BEFORE THE HON. STEVEN REASONER. APPEARANCES, FOR PLAINTIFF, THOMAS RAY; FOR DEFENDANT, GEORGE PIKE" [4/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: MADISON GUARANTY S&L AND MADISON FINANCIAL CORP. V SETH WARD, NO.CA89-124: MOTION OF APPELLANTS TO EXTEND TIME FOR FILING OF ABSTRACT AND BRIEF" [6/30/89]	C. CARTER	J. SEIDEL
02/03/94*	"INVENTORY OF BOX TWO OF TWO BOXES: PARTS III & IV OF IV PARTS, SETH WARD"	C. CARTER	J. SEIDEL
02/03/94*	"SETH WARD: LITIGATION AND PROOFS OF CLAIM, PART IV OF IV PARTS"	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS, 8TH CIRCUIT IN RE: FSLIC, AS CONSERVATOR OF MADISON GUARANTY S&L BY FDIC AS MANAGER FOR THE CONSERVATOR, PETITIONER V. SETH WARD, RESPONDENT: RESPONSE IN OPPOSITION TO FDIC'S EMERGENCY MOTION TO STAY ORDER OF REMAND PENDING DISPOSITION OF PETITION FOR WRIT OF MANDAMUS" [6/14/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT A: USA BEFORE FSLIC IN THE MATTER OF: MADISON GUARANTY S&L, FED HOME LOAN BANK BOARD RESOLUTION NO.86-851: STIPULATION AND CONSENT TO ENTRY OF ORDER TO CEASE AND DESIST" [8/15/86]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT B: USA BEFORE FSLIC IN THE MATTER OF: MADISON GUARANTY S&L, FED HOME LOAN BANK BOARD RESOLUTION NO.86-851: ORDER TO CEASE AND DESIST" [8/15/86]	C. CARTER	J. SEIDEL

*** - released documents**

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"EXHIBIT C: ESCROW AGREEMENT B/N MADISON GUARANTY AND WORTHEN BANK & TRUST"	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT D: FIRST CLASS MAIL FR FRIDAY, ELDREDGE & CLARK TO THOMAS RAY"	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT E: US DISTRICT COURT, EASTERN DISTRICT, ETC, SETH WARD V. FDIC, CONSERVATOR, MADISON GUARANTY (LR-C-89-180): NOTICE OF REMOVAL TO US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION" [10/10/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT F: US DISTRICT COURT, EASTERN DISTRICT, WESTERN DIVISION, SETH WARD V. FDIC, CONSERVATOR, MADISON GUARANTY (LR-C-89-180): ORDER BY JUDGE REASONER DENYING MOTION FOR STAY PENDING APPEAL, STATING COURT LACKS JURISDICTION TO RECONSIDER OR STAY THE ORDER REMANDING THE ACTION TO THE ARKANSAS COURT OF APPEALS" [5/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT G: US DISTRICT COURT, EASTERN DISTRICT, WESTERN DIVISION, SETH WARD V. FDIC, CONSERVATOR, MADISON GUARANTY (LR-C-89-180): MOTION TO REMAND BY PLAINTIFF, WARD, SUBMITTED BY THOMAS RAY" [3/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"CERTIFICATE OF SERVICE OF COPIES OF MOTION TO REMAND BY PLAINTIFF, WARD, SUBMITTED BY THOMAS RAY" [3/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT H: US DISTRICT COURT, EASTERN DISTRICT, WESTERN DIVISION, SETH WARD V. FDIC, CONSERVATOR, MADISON GUARANTY (LR-C-89-180): PLAINTIFF'S MEMORANDUM OF LAW IN SUPPORT OF MOTION TO REMAND" [3/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"EXHIBIT I: US DISTRICT COURT, EASTERN DISTRICT, WESTERN DIVISION, SETH WARD V. FDIC, CONSERVATOR, MADISON GUARANTY (LR-C-89-180): PLAINTIFF'S REPLY TO DEFENDANT'S RESPONSE IN OPPOSITION TO MOTION TO MOTION TO REMAND" [4/19/89]	C. CARTER	J. SEIDEL
02/03/94*	"LAWRENCE F. BATES (HOPKINS, SUTTER, HAMEL & PARK), OF COUNSEL, LTR. TO PAUL JEDDELOH, ESQ., FDIC ATTACHING DOCUMENTS FOR REVIEW" [8/16/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS, 8TH CIRCUIT, NO. CA 89-1980EA, WARD V. FDIC AS CONSERVATOR: FSLIC'S OPENING BRIEF FOR APPELLANT"	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94•	"US DISTRICT COURT, EASTERN DISTRICT, WESTERN DIVISION, SETH WARD V. FDIC, CONSERVATOR, MADISON GUARANTY (LR-C-89-180) DOCKET & LISTING OF PROCEEDINGS, W/ CORRESPONDING DATES, MOTIONS AND ORDERS"	C. CARTER	J. SEIDEL
02/03/94•	"TRANSCRIPT OF PROCEEDINGS: INDEX OF PLAINTIFF'S EXHIBITS, WITNESSES, EXAMINATIONS, DEFENDANT'S EVIDENCE, WITNESSES & EXAMINATIONS"	C. CARTER	J. SEIDEL
02/03/94•	"EXCERPTS OF TRANSCRIPT OF PROCEEDINGS BEFORE THE HON. STEVEN REASONER, US DISTRICT COURT AND EXHIBITS"	C. CARTER	J. SEIDEL
02/03/94•	"WARD V FDIC, CONSERVATOR, US DISTRICT COURT: PLAINTIFF'S REPLY TO DEFENDANT'S RESPONSE IN OPPOSITION TO MOTION TO MOTION TO REMAND - INCLUDED IN PLAINTIFF'S BRIEFING"	C. CARTER	J. SEIDEL
02/03/94•	"FEDERAL HOME LOAN BANK BOARD RESOLUTION 86-851: STIPULATION & CONSENT OF ORDER TO CEASE AND DESIST - INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [8/15/86]	C. CARTER	J. SEIDEL
02/03/94•	"FEDERAL HOME LOAN BANK BOARD RESOLUTION 86-851: ORDER TO CEASE AND DESIST - INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [8/15/86]	C. CARTER	J. SEIDEL
02/03/94•	"MEMORANDUM OPINION AND ORDER IN RE: US DISTRICT COURT EASTERN DISTRICT ARKANSAS, WESTERN DISTRICT: FIRST FINANCIAL S&L OF EL DORADO, FIRST FEDERAL S&L OF ROGERS, ARK, ET AL, PLAINTIFFS (NO.LR-C-86-724) V FSLIC AS RECEIVER FOR FIRSTSOUTH, F.A., DEFENDANT & FSLIC, AS RECEIVER V. FIRST JACKSONVILLE BANK, ET AL, DEFENDANTS/COUNTERPLAINTIFFS INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [1/21/87]	C. CARTER	J. SEIDEL
02/03/94•	"US DISTRICT COURT, WARD V. FDIC, CONSERVATOR: MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, REMAND OF THIS ACTION PENDING APPEAL - INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [5/12/89]	C. CARTER	J. SEIDEL
02/03/94•	"US DISTRICT COURT, WARD V. FDIC, CONSERVATOR: MEMORANDUM IN SUPPORT OF THE FSLIC'S MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, REMAND OF THIS ACTION PENDING APPEAL - INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [5/12/89]	C. CARTER	J. SEIDEL

• - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"FHLBB APPOINTMENT OF CONSERVATOR FOR MADISON GUARANTY - INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [2/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"MANAGEMENT AGREEMENT AMONG FEDERAL HOME LOAN BANK BOARD, FSLIC & FDIC - EXHIBIT 2 - INCLUDED IN 8/16/89 PLAINTIFF'S BRIEFING FOR COURT OF APPEALS" [2/7/89]	C. CARTER	J. SEIDEL
02/03/94*	"IN THE US DISTRICT COURT EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION (DOCKET NO.LR-C-89-180), WARD, PLAINTIFF V. FDIC, DEFENDANT: TRANSCRIPT OF PROCEEDINGS BEFORE THE HON. STEVEN REASONER BY PEGGE J. MERKEL" [4/28/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS V. SETH WARD (NO.CA 89-124), APPELLEE: MOTION OF APPELLANTS TO EXTEND TIME FOR FILING OF ABSTRACT AND BRIEF" [8/2/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: FDIC, CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS V. SETH WARD (NO.CA 89-124), APPELLEE: APPELLEE'S RESPONSE IN OPPOSITION TO APPELLANTS' THIRD MOTION FOR EXTENSION OF TIME TO FILE ABSTRACT AND BRIEF" [8/4/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: FDIC, CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS V. SETH WARD (NO.CA 89-124), APPELLEE: APPELLANT FSLIC'S SUPPLEMENTAL BRIEF IN SUPPORT OF ITS MOTION FOR EXTENSION OF TIME TO FILE ABSTRACT AND BRIEF" [8/2/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: FDIC, CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS V. SETH WARD (NO.CA 89-124), APPELLEE: MOTION TO DISMISS" [8/10/89]	C. CARTER	J. SEIDEL
02/03/94*	"ARKANSAS COURT OF APPEALS: FDIC, CONSERVATOR FOR MADISON GUARANTY & MADISON FINANCIAL, APPELLANTS V. SETH WARD (NO.CA 89-124), APPELLEE: APPELLEE'S SUPPLEMENTAL RESPONSE IN OPPOSITION TO APPELLANTS' THIRD MOTION FOR EXTENSION OF TIME TO FILE ABSTRACT AND BRIEF" [8/10/89]	C. CARTER	J. SEIDEL
02/03/94*	"CONGRESSIONAL RECORD - HOUSE: POWER TO REMOVE: JURISDICTION" [8/4/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"IN THE US DISTRICT COURT, EASTERN DIVISION OF ARKANSAS, WESTERN DIVISION (NO.LR-C-89-180), SETH WARD V. FDIC, CONSERVATOR: PLAINTIFF'S RESPONSE IN OPPOSITION TO FDIC'S MOTION TO RECONSIDER OR STAY THE ORDER OF REMAND" [5/17/89]	C. CARTER	J. SEIDEL
02/03/94*	"IN THE US DISTRICT COURT, EASTERN DIVISION OF ARKANSAS, WESTERN DIVISION (NO.LR-C-89-67), FIRST FEDERAL S&L OF HARRISON, ARK, PLAINTIFF V. SAVERS FEDERAL S&L OF LITTLE ROCK, ARK: RTC'S NOTICE OF REMOVAL" [8/22/89]	C. CARTER	J. SEIDEL
02/03/94*	"IN THE US DISTRICT COURT, EASTERN DIVISION OF ARKANSAS, WESTERN DIVISION (NO.LR-C-89-67), FIRST FEDERAL S&L OF HARRISON, ARK, PLAINTIFF V. SAVERS FEDERAL S&L OF LITTLE ROCK, ARK: ORDER DENYING PLAINTIFF'S MOTION TO REMAND CASE TO STATE COURT; GRANTING DEFENDANT'S MOTION TO STAY ALL PROCEEDINGS FOR 45 DAYS; DIRECTING DEFENDANT TO POST BOND IN THE FORM OF US TREASURY BILL; DIRECTING CLERK OF THE COURT TO HOLD TREASURY BILL; GIVING PLAINTIFF RIGHT IN THE BOND BY SERVING A WRIT GARNISHMENT OR WRIT OF EXECUTION ON DEFENDANT ON 9/8/89; THAT CONDITIONS OF COURT SHALL CONTINUE UNTIL FURTHER ORDERS OF THE COURT" [9/12/89]	C. CARTER	J. SEIDEL
02/03/94*	"IN THE US DISTRICT COURT, EASTERN DIVISION OF ARKANSAS, WESTERN DIVISION (NO.LR-C-89-67), FIRST FEDERAL S&L OF HARRISON, ARK, PLAINTIFF V. SAVERS FEDERAL S&L OF LITTLE ROCK, ARK, CASE NO. LR-C-89-679: TENDER IN LIEU OF GARNISHMENT BY RTC, AS CONSERVATOR FOR SAVERS - BY GEORGE DAHNKE, ESQ., HASTIE & KIRSCHNER" [9/12/89]	C. CARTER	J. SEIDEL
02/03/94*	"IN THE US DISTRICT COURT, EASTERN DIVISION OF ARKANSAS, WESTERN DIVISION (NO.LR-C-89-67), FIRST FEDERAL S&L OF HARRISON, ARK, PLAINTIFF V. SAVERS FEDERAL S&L OF LITTLE ROCK, ARK, CASE NO. LR-C-89-679: TENDER IN LIEU OF GARNISHMENT BY RTC, AS CONSERVATOR FOR SAVERS - BY GEORGE DAHNKE, ESQ., HASTIE & KIRSCHNER" [9/12/89]	C. CARTER	J. SEIDEL
02/03/94*	"IN CIRCUIT COURT OF PULASKI COUNTY, ARK., SECOND DIVISION, SETH WARD V. MADISON GUARANTY S&L AND MADISON FINANCIAL: SUPERSEDEAS ORDER BY JUDGE PERRY V. WHITMORE - ESCROW AGREEMENT ENTERED INTO IN LIEU OF SUPERSEDEAS BOND" [11/15/88]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS FOR THE ELEVENTH CIRCUIT (NO.89-5272) IN RE: FSLIC & SAVERS FEDERAL S&L ASSOCIATION, PETITIONERS ON PETITION FOR WRIT OF MANDAMUS TO THE US DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA" [4/24/89]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"US COURT OF APPEALS FOR THE EIGHTH CIRCUIT (NO.89-1980EA), SETH WARD, APPELLEE, V. FSLIC AS MGR FOR FSLIC, CONSERVATOR FOR MADISON GUARANTY S&L, APPELLANT AND (NO.89-1961) IN RE FSLIC, PETITIONER ON PETITION FOR WRIT OF MANDAMUS TO THE US DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS: MOTION TO CONSOLIDATE PROCEEDINGS" [8/7/89]	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS FOR THE EIGHTH CIRCUIT (NO.89-1980EA), RTC, AS CONSERVATOR FOR MADISON GUARANTY, APPELLANT V. SETH WARD, APPELLEE: BRIEF OF APPELLEE" [1/6/90]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS, WESTERN DIVISION (CIVIL NO.LR-C-89-228), SETH WARD II & ANN BALCH WARD V FDIC, CONSERVATOR FOR MADISON GUARANTY: ORDER GRANTING DEFENDANT'S MOTION FOR SUMMARY JUDGMENT AND DISMISSING CASE, W/ PREJUDICE. EACH PARTY TO BEAR ITS OWN COSTS, AND PLAINTIFFS ARE ESTOPPED FROM CLAIMING A RIGHT TO A LOWER INTEREST RATE THAN THAT REFLECTED IN THE OFFICIAL RECORDS OF THE DEFENDANT." [1/23/90]	C. CARTER	J. SEIDEL.
02/03/94*	"US COURT OF APPEALS FOR THE EIGHTH CIRCUIT (NO.89-1980), SETH WARD, APPELLEE, V. RTC AS CONSERVATOR FOR MADISON GUARANTY ON APPEAL: PER CURIAM: APPEAL IS MOOT" SUBMITTED [4/13/90]; FILED [5/7/90]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT, EASTERN DISTRICT, WESTERN DIVISION (DOCKET NO.LR-C-89-807), SETH WARD, PLAINTIFF V RTC, AS CONSERVATOR FOR MADISON GUARANTY, AND MADISON FINANCIAL: TRANSCRIPT OF HEARING BEFORE THE HONORABLE JUDGE STEPHEN M. REASONER" [10/31/89]	C. CARTER	J. SEIDEL
02/03/94*	"LTR FROM HARRY A. LIGHT TO ACTING CLERK, US COURT OF APPEALS TO THE HONORABLE MICHAEL E. GANS RE: CAUSE NO.91-3015, WARD V RTC AS RECEIVER FOR MADISON GUARANTY ET AL ATTACHED TO OWN ENTRY OF APPEARANCE ON BEHALF OF APPELLANTS, ENTRY OF APPEARANCE OF MICHAEL G. THOMPSON ON BEHALF OF APPELLANTS, AND 3 COPIES OF NOTICE OF APPELLANTS' INTENTION TO FILE SEPARATE APPENDIX FOR FILING" [9/13/91]	C. CARTER	J. SEIDEL
02/03/94*	"RE: CAUSE NO.91-3015, WARD V RTC AS RECEIVER FOR MADISON GUARANTY ET AL ENTRY OF APPEARANCE OF MICHAEL G. THOMPSON ON BEHALF OF APPELLANTS"	C. CARTER	J. SEIDEL
02/03/94*	"NOTICE OF APPELLANTS' INTENTION TO FILE SEPARATE APPENDIX: IN NO.91-3015, WARD, APPELLEE V. RTC AS RECEIVER FOR MADISON GUARANTY, & MADISON FINANCIAL CORP., APPELLANTS" [9/13/91]	C. CARTER	J. SEIDEL

* - released documents

DATE	DOCUMENT *(title/description/date)*	RELEASED BY	REVIEWED BY
02/03/94*	"RE: CAUSE NO.91-3015, WARD V RTC AS RECEIVER FOR MADISON GUARANTY ET AL ENTRY OF APPEARANCE OF HARRY A. LIGHT ON BEHALF OF APPELLANTS"	C. CARTER	J. SEIDEL
02/03/94*	"LTR. FR MICHAEL E. GANS, CLERK, US COURT OF APPEALS FOR THE EIGHTH CIRCUIT TO HARRY A. LIGHT & GEORGE PIKE, JR., FRIDAY & ELDREGE, RE:91-3015EALR, WARD V RTC WITH APPEAL BRIEFING SCHEDULE, BRIEFING CHECKLIST AND ADDRESSES OF INVOLVED PARTIES"	C. CARTER	J. SEIDEL
02/03/94*	"US COURT OF APPEALS - EIGHTH CIRCUIT, APPELLEE'S FORM B: APPEAL INFORMATION FORM COMPLETED BY THOMAS RAY, SHULTS,RAY & KURRUS, FOR SETH WARD" [9/10/91]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS: ORDER SCHEDULING HEARING FOR 7/19/91 IN RE LR-C-89-807, WARD V. RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL" [7/2/91]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS: ORDER GRANTING DEFENDANT'S MOTION TO SUBSTITUTE RTC AS RECEIVER IN PLACE OF AS CONSERVATOR IN RE LR-C-89-807, WARD V. RTC, AS CONSERVATOR FOR MADISON GUARANTY AND MADISON FINANCIAL" [7/2/91]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS CIVIL NO. LR-C-89-807, WARD V. RTC, AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL: MOTION FOR RELIEF FROM JUDGMENT BY DEFENDANTS, RTC, ET AL" [7/11/91]	C. CARTER	J. SEIDEL
02/03/94*	"US DISTRICT COURT, EASTERN DISTRICT OF ARKANSAS CIVIL NO. LR-C-89-807, WARD V. RTC, AS RECEIVER FOR MADISON GUARANTY AND MADISON FINANCIAL: BRIEF IN SUPPORT OF MOTION FOR RELIEF FROM JUDGMENT BY DEFENDANTS, RTC, ET AL" [7/11/91]	C. CARTER	J. SEIDEL

* - released documents

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN

PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON

ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

January 25, 1994

Mr. Roger Altman
President Interim and
Chief Executive Officer
Resolution Trust Corporation
801 17th Street N.W.
Washington, D.C. 20434

Dear Mr. Altman:

I am writing to you in connection with the letters of January 11, 1994, to Attorney General Janet Reno and yourself, expressing the grave concern that I and a number of my colleagues have regarding the expiration of the applicable statutes of limitations with respect to possible wrongdoing at Madison Guaranty Savings and Loan ("Madison"). We urged that voluntary agreements tolling the statute of limitations be sought with all the relevant parties. That letter addressed the urgent need for immediate action with respect to any violations that may have occurred, since the applicable statute of limitations may expire as soon as March, 1994.

More than two weeks have passed since we raised this vital issue. In his public comments, Special Counsel Fiske has already demonstrated his recognition of, and sensitivity to, the applicable criminal statutes of limitations.

I have yet to be apprised of what action, if any, the RTC has taken to ensure that the applicable civil statute will not expire. The American people have the right to know if any wrongdoing took place in connection with Madison. It is equally important that the rights of the American people to obtain a full accounting against wrongdoers be preserved.

The RTC should do all in its power to protect the American taxpayer by making a definitive interpretation of precisely when the civil statute of limitation will expire, and then take action to voluntarily seek agreements from potential parties to RTC-initiated legal actions. Should the statute of limitations run, any findings that the RTC makes will be meaningless--there will be no hearing and the American people will be left without complete redress.

Members of the Banking Committee staff have discussed the need for meaningful action with representatives of the RTC. My staff was informed that the RTC had not yet made a final analysis with respect to the expiration of the statute of limitation. They were also informed that no response was immediately available, more than two weeks after this issue was raised--this is inconceivable and unacceptable.

In light of the RTC's failure to respond to these concerns for over two weeks, I am compelled to write again to ascertain what action the RTC has taken, so that I may consider alternate avenues that I can pursue in order to protect the interest of the American people with respect to this matter. I can see no reason for further delay on your part. Please provide me with your conclusions as to the application of the relevant statute of limitations with respect to the Madison situation immediately.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
Ranking Republican
Senate Banking Committee

AMD:dn

[illegible]

[illegible]

[illegible]

United States Senate
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS
WASHINGTON, DC 20510-6075

REPUBLICAN STAFF FAX COVER SHEET

TO: Peter Knight

FAX #: 416 4690

FROM: Doug Nappi/Howard Menell

DATE: January 25, 1994

NUMBER OF PAGES (INCLUDING THIS SHEET): 3

COMMENTS:

Please call (202)224-1572 if you have not received all pages.

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN

PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON

ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 18, 1994

Mr. Ro~~d~~ger Altman
Interim Chief Executive Officer
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear Mr. Altman:

Please provide the following:

1) A copy of any review that the RTC prepared, or had prepared, pertaining to potential conflicts-of-interest that may have existed in connection with the Rose Law Firm and Madison Guaranty;
2) Copies of all recusal letters and ethics agreements entered into by Albert Casey and yourself.

Please provide these materials as soon as possible, and as they become available for delivery. If you have any questions regarding this request, Mr Nappi can be reached at (202) 224-3737.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
Ranking Republican Member

AMD:sb

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN

PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON

ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 18, 1994

Mr. Roger Altman
President and
Interim Chief Executive Officer
Resolution Trust Corporation
801 17th Street, N.W.
Washington, D.C. 20434

Dear Mr. Altman:

Please provide to my staff copies of all the documents pertaining to Madison Guaranty Savings and Loan ("Madison"), including all subsidiaries of Madison, that are currently in the possession, or subject to the control, of the Resolution Trust Corporation ("RTC"). In addition, please forward the names and titles of all RTC employees that are involved in any review or investigation of the Madison Guaranty matter. Should the RTC refuse to release any documents, please provide, in writing, a summary index of documents that the RTC refuses to provide as well as an explanation of the grounds alleged for that refusal.

Please forward this information to Douglas Nappi, at the Senate Committee on Banking, Housing and Urban Affairs, 534 Dirksen, Washington, DC 20510. Mr. Nappi can be reached at 202-224-1577.

Thank you in advance for your assistance.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
United States Senator

AD:dn

16120

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Robert J. Dole
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

16121

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Jan Meyers
U.S. House of Representatives
Washington, D.C. 20515

Dear Ms. Meyers:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable William F. Clinger, Jr.
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Clinger:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Larry Pressler
United States Senate
Washington, D.C. 20510

Dear Senator Pressler:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

16124

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Jim Leach
Ranking Minority Member
Committee on Banking, Finance
and Urban Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Leach:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Hamilton Fish, Jr.
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Fish:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Robert H. Michel
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Leader:

On January 11, 1994 you wrote to Attorney General Reno and me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Alfonse M. D'Amato
Ranking Minority Member
Committee on Banking, Finance
  and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Senator D'Amato:

On January 11 and January 25, 1994 you wrote to me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

12053

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN

PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON

ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

January 10, 1994

RECEIVED
JAN - 1994
OFFICE OF GOVERNMENTAL RELATIONS
RTC

Mr. Roger Altman
Acting Chief Executive Officer
Resolution Trust Corporation
801 17th Street N.W.
Washington, D.C. 20434

Dear Mr. Altman:

Enclosed please find a copy of a letter we sent today to Attorney General Reno. We would appreciate it if you would consider the request we made therein with respect to our concern that the running of the statute of limitations may prevent the final resolution of all allegations relating to Madison Guaranty Savings and Loan.

Thank you.

Sincerely,

Bob Dole

Alfonse D'Amato

Jan Meyers

James Leach

Bill Clinger

Henry Hyde

Larry Pressler

Bob Michel

DONALD W. RIEGLE JR. MICHIGAN CHAIRMAN

PAUL S. SARBANES MARYLAND
CHRISTOPHER J. DODD CONNECTICUT
JIM SASSER TENNESSEE
RICHARD C. SHELBY ALABAMA
JOHN F. KERRY MASSACHUSETTS
RICHARD H. BRYAN NEVADA
BARBARA BOXER CALIFORNIA
BEN NIGHTHORSE CAMPBELL COLORADO
CAROL MOSELEY BRAUN ILLINOIS
PATTY MURRAY WASHINGTON

ALFONSE M. D'AMATO NEW YORK
PHIL GRAMM TEXAS
CHRISTOPHER S. BOND MISSOURI
CONNIE MACK FLORIDA
LAUCH FAIRCLOTH NORTH CAROLINA
ROBERT F. BENNETT UTAH
WILLIAM V. ROTH JR. DELAWARE
PETE V. DOMENICI NEW MEXICO

STEVEN B. HARRIS STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

January 11, 1994

Honorable Janet Reno
Attorney General
U.S. Department of Justice
Washington, D.C. 20530

Dear Attorney General Reno:

We regret that you have rejected Congressional requests to appoint a special counsel to examine the allegations of potential misconduct that have recently surfaced concerning Madison Guaranty Savings and Loan ("Madison") and the Whitewater Development Corporation ("Whitewater").

Of course, we express no opinion as to whether any of the allegations are, in fact, true. Nor do we express any view as to who may, or may not, be involved in any misconduct. Nevertheless, we are writing to urge you to act immediately to seek agreements to toll the relevant civil and criminal statutes of limitations, which are now expiring.

While we have our differences with you over whether to appoint a special counsel under your authority, or an independent counsel following reauthorization of the Independent Counsel Act, we trust that we are pursuing a common objective: a fair investigation conducted in an objective, impartial and independent fashion. The American people, the President, and Mrs. Clinton deserve nothing less.

We are concerned, however, that the goal of fairness and the opportunity for the President and Mrs. Clinton to dispel any doubts about their lack of personal involvement in any of the alleged misconduct may be hampered by the frequent and unfortunate delays in this case. As you are aware, Madison failed and was taken over by the Resolution Trust Corporation in 1989; many of the allegations concerning Whitewater stem from the mid-1980s. However, due to various factors, including the delayed recusal of key officials in your Department and the U.S. Attorney in Little Rock, these allegations have not been pursued in an expeditious manner. As a result, immediate action is now critical.

Under the Federal Deposit Insurance Act, the RTC has only a five year period in which to bring a civil suit for fraud, starting from the date it became the

conservator or receiver of a failed institution. Thus, the ability of the RTC to take civil action may expire as early as March, 1994. The statute of limitations for criminal actions involving bank fraud is 10 years from the date of the occurrence of the criminal activity.

In order to resolve any and all questions regarding Madison and Whitewater, we urge you and the RTC to seek voluntary agreements with all relevant parties, including the President and Mrs. Clinton, the McDougals, David Hale, Jim Guy Tucker, Seth Ward, and the Rose Law Firm, to toll the running of the statutes of limitations -- in other words, to seek their agreement to voluntarily waive these defenses. These agreements will allow time for a complete and independent investigation and permit the orderly operation of the legal and judicial processes. It will also remove any doubt that the above named parties may seek to use the statute of limitations as a procedural defense. Furthermore, it will reassure the American public that anyone implicated in any wrongdoing will answer these allegations on their merits.

Attorney General Reno, thank you for your consideration of this request.

Sincerely,

Bob Dole

Jan Meyers

Bill Clinger

Larry Pressler

Alfonse D'Amato

Bob Michel

cc: Roger Altman
Resolution Trust Corporation

MADISON GUARANTY 2/1/94

1. do any the claims exist, and do they fall into the category of fraud or intentional misconduct? If they don't, it would be legally irresponsible to pursue a tolling agreement

2. must file a claim in court by Feb. 28 to preserve the ability to pursue the claim

3. the ~~[illegible]~~ reason [redacted] people agree to tolling agreements is that the subsequent discovery process would later avert any court filing and the related expense of defending against the suit

4. General Counsel will decide, working with PIs, whether the basis exists for a court-filed claim

5. tolling agreement means that the Statute of limitations will be waived for a specific period of time

6. the Special Counsel cannot make this part of his investigation because the latter is a criminal investigation pursued by a separate agency

MADISON

Claim

- only criteria are fraud or intentional misconduct which lead to [redacted] [redacted] unjust enrichment or substantial loss to the institution

- must prove damage to the institution

- must assert a claim which can survive a motion to dismiss; which is not frivolous

RECEIVED JUN 30

copy both sides

DRAFT 2/22/94

1

WHITEWATER/MADISON: RECUSAL

Question:

Secretary Altman, why have you failed to recuse yourself thus far from the RTC's work relating to Madison Guaranty? How many discussions have you had concerning Madison and related matters?

Answer:

~~Will not be~~

- Appropriate

- Since PLS is such a Senator why would

How do I get

WHITEWATER/MADISON: TREASURY INVOLVEMENT

Question:

Have any other officials of the Treasury Department been involved in any substantive discussions relating to the RTC's handling of Madison or related matters?

Answer:

-- I and a very limited number of my Treasury staff have been briefed generally by RTC staff on a variety of issues related to the RTC's review of the Madison matter. Topics include:
  -- RTC procedures related to document requests including the types of information that are releasable in the ordinary course to members of the public, members of the Congress acting in their individual capacity and as a Committee of the Congress;
  -- a general discussion of the causes of action that might be available to the RTC that fall within the extension of the statute of limitations contained in the RTC Completion Act;
  -- the normal criteria applied by the RTC in seeking an Authority to Sue, tolling agreements with potential defendants, etc.; and,
  -- the applicable statute of limitations and a chronology of the Madison matter beginning in 1989 with the seizure of the institution by the FDIC, the expiration of the FIRREA statute of limitations in 1992 and the revival of certain types of actions under the Completion Act and the further extension via the California Earthquake Relief Act;

-- During my service as the Interim CEO of the RTC I have had members of my Treasury staff sit in on a variety of briefings and discussions related to RTC matters. For instance, since I was appointed Interim CEO of the RTC I and members of my Treasury staff have had a standing Tuesday luncheon involving senior members of RTC including the Deputy CEO, the General Counsel and the Senior Vice President for Minority and Women's Business. Topics discussed during the course of these regular meetings include the implementation of the recently approved Completion Act.

-- No discussions of the actual decisions to be made by the RTC as to whether any claims exist and should be pursued against specific persons in connection with Madison have been held by me or other Treasury staff.

WHITEWATER/MADISON: CONVERSATIONS WITH THE WHITE HOUSE

Question:

> Secretary Altman, have you or any other Treasury officials held any conversations with the White House concerning this matter?

Answer:

WHITEWATER/MADISON: JUSTICE DEPARTMENT

Question:

Has the Justice Department told the RTC what it can and cannot tell the Congress in matters relating to Madison Guaranty?

Answer:

-- Consistent with established practice, RTC staff has had discussions with the Justice Department prior to the appointment of the Special Counsel as to the release of information which may hamper or affect the investigation of matters in which the RTC has information or an interest.

-- RTC staff's discussions with the Justice Department and Special Counsel Fiske have involved issues such as coordination of the respective agency's investigations so as to not unduly delay or prejudice the possible prosecution of various claims or actions.

WHITEWATER/MADISON: ROSE LAW FIRM

Question:

Secretary Altman, has the RTC investigated the Rose Law firm and whether or not it correctly represented possible conflicts when soliciting business with the RTC? Have you recused yourself from this matter?

Answer:

-- The FDIC, as exclusive agent for the FSLIC, was the original conservator of Madison and as such, retained the Rose law firm. As you know the FDIC has investigated the circumstances arising out of that relationship and has released the report. Perhaps Acting Chairman Hove might like to briefly expand upon the report.

~~-- RTC staff has read the report and has advised me that it has no information which would lead the RTC to a different conclusion.~~

WHITEWATER/MADISON: INDEPENDENT COUNSEL

Question:

Secretary Altman, has the RTC been in contact with the Special Counsel Robert Fiske? Have you participated in these conversations?

Answer:

-- I understand that there have been several telephone conversations with Mr. Fiske and his staff and Deputy CEO Jack Ryan as well as members of the RTC legal staff regarding various procedural matters.

-- I have not participated in any of those discussions.

WHITEWATER/MADISON: CONGRESSIONAL REQUESTS FOR INFORMATION

Question:

Why has the RTC taken the position that an individual member of Congress only has the standing of an average citizen when making requests of the agency for information? Isn't it true that there is a certain amount of flexibility in interpreting the law regarding this question? Mr. Altman, were you involved in this decision? Were any other Treasury officials involved in this decision?

Answer:

-- The request of individual members of Congress for information is not a new issue. This issue has been raised on numerous occasions involving many executive agencies. The RTC is not charting new waters here.

-- The RTC has taken the position that requests for information from individual members of Congress, as contrasted with requests from Congressional Committees, have the same standing as FOIA requests and are subject to the same exceptions. There is no credible legal theory or authority to the effect that the law is otherwise.

-- Providing privileged information to an individual member of Congress would likely waive all applicable privileges and could also result in other violations of FOIA.

-- Our position is consistent with that of other agencies and of the Department of Justice.

-- We are most concerned that we not take steps which would impair the RTC's and the Special Counsel's ability to carry out their responsibilities or violate relevant law.

-- At the same time, the RTC has provided individual members of Congress with significant amounts of documentation and information within the limitations which I have described and it will continue to cooperate to the fullest extent possible.

-- The decisions made with respect to information which may appropriately be disclosed have been made by the staff of the RTC alone in accordance with normal agency procedures.

8a

QUESTIONS RELATED TO WHITEWATER/MADISON

Question:

Why is the RTC refusing to provide information about Madison and Whitewater to this Committee?

Answer:

-- At the present time the RTC has not received a request from this Committee and is cooperating to the fullest extent possible under the law with the investigations by individual members (Rep. Leach/Sen. D'Amato).

Question:

Haven't you refused to provide specific information to members of the Committee (Rep. Leach/Sen. D'Amato) and their staffs which they have advised you is extremely important to their carrying out of their duties?

Answer:

-- To date the RTC has not received a request from the Committee for any documents. Absent a request from the Committee, the RTC is limited in what it can provide to individual Members of Congress in the following areas:

-- Information regarding the personal and corporate financial records in its possession;

-- Information relating to criminal investigations;

-- Information which is privileged; and,

-- Material relating to possible civil litigation.

-- Release of these types of information to individual Members of Congress could jeopardize the governments's ability to bring and subsequently prosecute both civil and criminal matters.

In addition, the release of certain information could be a violation of the Privacy and Trade Secrets Acts that in turn would lead to possible liability to the government official responsible for their release and to the government as well.

8b

Follow up:

As a Committee member (Minority Member) and as participant in this hearing, I am formally requesting that you supply the material previously requested (by Rep. Leach/Sen. D'Amato).

Answer:

-- The RTC is in something of an awkward position and would request that clarification be provided the RTC by the Committee Chair as to whether a request during the hearing from an individual member constitutes a formal request by the Committee as part of this hearing.

Follow up:

As the Chairman of this Committee (Chairman Riegle/Chairman Gonzalez), I am requesting that you provide the information requested to the majority and minority staffs of this Committee.

Answer:

-- The Justice Department and the Special Counsel, Mr. Fiske, has requested that with respect to Madison, the RTC make no information available about criminal referrals without its consent. The RTC, in addition to its obligations to comply with the law is deeply concerned about the provision of information which could have a negative impact on its investigation or litigation of any matter.

Follow up:

I insist.

Answer:

-- Mr. Chairman, the RTC will respond as to its position on this request expeditiously after consultation with the Special Counsel and the Justice Department.

-- May I reiterate the RTC's concerns about possible negative affects on our investigation. I would also request on behalf of the RTC that appropriate safeguards be implemented after consultation with the staff of the Committee to protect the confidentiality of information and to preserve the privileged nature of any information which might be disclosed.

8c

Background:

-- The RTC's policy with respect to this type of matter is a non-partisan one. The RTC has treated Democrats similarly to Republicans. The RTC has previously provided privileged information to Congressional Committees with safeguards such as a promise of confidentiality or under threat of subpoena which protects the agency from a claim that its privileges have been waived by disclosure to Congress. For example, the RTC has disclosed:

-- Information regarding Southwest Savings litigation requested by a majority member of the Senate Banking Committee. The information was disclosed only after the RTC received a [written] promise of confidentiality from the [Committee];

-- Information regarding Homefed requested by the majority of the House Banking Committee. The Chairman of the Committee, in writing threatened to issue a subpoena for the requested material;

-- Information protected by the Privacy Act requested by a majority member of the House Subcommittee on Civil Service (Rep. Schroeder) was denied originally and released only after a promise of confidentiality by the Chairman of the Subcommittee.

-- In the absence of such safeguards, the RTC would have to consider all its options in order to avoid jeopardizing its statutory obligations.

WHITEWATER/MADISON: CRIMINAL REFERRALS

Question:

How many criminal referrals were made by the RTC relating to Madison? When were they made? Could you provide a copy of these referrals to the committee?

Answer:

-- It is the policy of the RTC not to discuss criminal referrals on an institution specific basis;

-- All questions concerning criminal investigations should be directed to the Justice Department, and in the case of Madison Guaranty to Special Counsel Robert Fiske.

-- In recognition of their sensitive status, completed Criminal Referral forms are protected from disclosure under the Freedom of Information Act, and the litigation discovery process and are subjected to to the provisions of the Privacy Act.

-- The bank regulators and the RTC strongly encourages the early detection of suspected criminal activity. Therefore in order to provide for the free flow of ideas and the encouragement of such reports the contents of investigative reports must be protected against inappropriate disclosure.

-- If the bank regulators were to not adequately protect these referrals, the willingness of persons to report suspected activity within financial institutions would be severely diminished.

WHITEWATER/MADISON: CIVIL ACTIONS

Question:

Why has it been almost five years since Madison failed and no civil action has been taken while many criminal referrals have been made?

Answer:

Since the RTC's investigation into possible civil actions against professional liability targets continues, it would be inappropriate for me to provide any specific information about particular claims or investigations. I can comment in general, however, with respect to past activities and the overall approach we are taking.

First of all, it should be noted that prior to recent congressional action, extending the statute of limitations applicable to come categories of RTC civil actions, there was no on-going investigation into possible civil actions arising out of the Madison failure. There was continuing investigative work on-going with respect to possible criminal referrals regarding Madison, but the statute of limitations for criminal misconduct had not expired.

The original statute of limitations regarding Madison civil claims expired on the third year anniversary of the federal takeover of the thrift, February 28, 1992. In the RTC Completion Act as later modified by the California Earthquake Relief Bill, some limited categories of Madison related civil claims were revived and the limitation period was extended to December 31, 1995. It should be emphasized though that the only Madison claims affected by this legislation are those involving civil fraud or certain other types of intentional misconduct.

The original investigation into professional liability claims at Madison was conducted by the FDIC Investigations Department under the supervision of the FDIC Legal Division since the FDIC was managing agent for the FSLIC as receiver/conservator. During this period, FDIC conducted the prosecution of an action against former auditors for Madison which had been filed by the institution prior to its failure. No other professional liability claims were filed on behalf of RTC. The active investigation into any such civil claims was concluded by the FDIC in later 1990, before the establishment of a separate RTC Legal Division. The RTC did not routinely revisit decisions made by FDIC such as the decision to close the Madison investigation.

In 1990 as now, the evaluation of potential civil claims against directors and officers and other professionals who performed services for a failed thrift involves a number of factors. An assessment of the strength of the claims is a key ingredient in this evaluation, but it is not the only important factor. Just as RTC must believe that it is likely to prevail in the litigation of these claims, it must also be able to establish that any judgments it obtains are collectable at least to an extent that justifies the expenses which will be incurred in the litigation. Another factor which might influence RTC's evaluation of potential professional liability claims is the presence of other civil actions, including bankruptcies, as well as other judgments against the targets.

It is too soon to say whether any new claims might be identified with regard to Madison. The additional period for investigation afforded in the Earthquake Relief Bill will permit time for a full and complete investigation of these claims. At the time that some Madison claims were "revived" by the RTC Completion Act, there were a large number of other investigations in the same posture as Madison, and we were taking steps to review all of these in an orderly fashion. This would not have been easy. In the first quarter of 1989 alone, some 185 thrifts, in addition to Madison, were placed under RTC control. The five-year period originally applicable to this entire group would have ended no later than 3-1/2 months after President Clinton signed the Act. That period has now been extended until the sunset of RTC. You may rest assured that the RTC will conduct a thorough investigation into potential Madison claims and all appropriate actions will be taken.

Question:

Doesn't your relationship with The President and Mrs. Clinton require a recusal? Isn't there the appearance of a conflict of interest?

Answer:

First, as I said, I'll not be playing any role in this matter. There won't be, therefore, any appearances of a conflict.

Second, I'm playing no role whatsoever right now in the RTC's investigation of this case. I've seen no documents. I've had no conversations at all on where the investigation stands. I have no idea what recommendations the General Counsel will reach. They will be completed after I've left.

Third, I might point out the RTC referred this matter to the Justice Department for possible criminal review last October. I was also interim CEO at that time.

I was advised at that time that such a review was being conducted and that a decision on referral to Justice would be made. As certain Treasury and RTC officers will attest, I took the position that normal procedures should be followed. If such a decision on referral was typically made at the regional office level, my view was that it should be made that way in this matter.

¶ Question: Were you asked how it should be handled?

answer:

Question:

What conversations have you had with The White House on thi matter?

Answer:

I've had one substantive conversation. Approximately thre weeks ago, Jean Hanson (Treasury General Counsel) and requested a meeting with Mr. Nussbaum, White House Counsel.

The purpose of the meeting was to describe the procedura reasons for the then impending February 28 deadline: th Completion Act, the statute of limitations was retroactivel reinstated for certain types of civil claims (those relatin to fraud and certain claims relating to intentiona misconduct); as it related to Madison Guaranty, it woul expire the end of February. Finally, if the RTC were t determine that any such claims existed, the RTC would have t determine whether to seek a tolling agreement or commenc litigation.

We made clear that we had no idea at all what decision woul be reached. I did say, however, that if I received a clea recommendation from the RTC's chief legal officer, I woul follow it. I also said that I was reserving judgment on recusal.

We were only asked one question. Did the RTC intend t provide the same briefing on the RTC's processes to attorney for the parties in interest. I said that I assumed so bu would check with the RTC General Counsel.

Jean Hanson did check and was told "in due course." I sai "fine".

Question:

Are you a close friend of the Clintons?

Answer:

I know them well, yes. Am I one of their very closest circle? No.

strike —

Question:

Do you consider yourself a FOB?

Answer:

Yes, as I understand that term to be used.

Question:

Do you think your relationship with The President should disqualify you from playing any role in Madison?

Answer:

As I said, I won't be playing any role and the question is moot; if I were to be playing a role my answer would be no. When ~~the issue of referring this to Justice arose~~, my position was that all the normal procedures should be followed. In that case, such decisions are often made by regional offices and my view was that nothing should be different.

That would be my stance on Madison. If I received a ~~truly~~ clear recommendation on it from the chief legal officer, I'd ~~almost certainly~~ follow it.

I've never played favorites on sensitive matters, let alone one of this sensitivity, and I wouldn't do so here.

// I was advised ~~[illegible]~~ that a referral to Justice was likely, what

Question:

Have you issued any instructions to RTC staff on this investigation? [redacted] were they?

Answer:

I

~~Other than to~~ advise the Deputy CEO and the General Counsel of the RTC that I expected that all standard procedures would apply to the RTC's handling of this matter. I have issued no instructions.

Two Bullet points

Other than that,

WHITEWATER/MADISON: TREASURY INVOLVEMENT

Question:

Have any other officials of the Treasury Department been involved in any ~~substantive~~ discussions relating to the RTC's handling of Madison or related matters?

Answer:

-- I and a very limited number of my Treasury staff have been briefed generally by RTC staff on a variety of issues related to the RTC's review of the Madison matter. Topics include:

- -- RTC procedures related to document requests including the types of information that are releasable in the ordinary course to members of the public, members of the Congress acting in their individual capacity and as a Committee of the Congress;
- -- a general discussion of the causes of action that might be available to the RTC that fall within the extension of the statute of limitations contained in the RTC Completion Act;
- -- the normal criteria applied by the RTC in seeking an Authority to Sue, tolling agreements with potential defendants, etc.; and,
- -- the applicable statute of limitations and a chronology of the Madison matter beginning in 1989 with the seizure of the institution by the FDIC, the expiration of the FIRREA statute of limitations in 1992 and the revival of certain types of actions under the Completion Act and the further extension via the California Earthquake Relief Act;

Space

why

-- During my service as the Interim CEO of the RTC I have had members of my Treasury staff sit in on a variety of briefings and discussions related to RTC matters. For instance, since I was appointed Interim CEO of the RTC I and members of my Treasury staff have had a standing Tuesday luncheon involving senior members of RTC including the Deputy CEO, the General Counsel and the Senior Vice President for Minority and Women's Business. Topics discussed during the course of these regular meetings include the implementation of the recently approved Completion Act.

-- No discussions of the actual decisions to be made by the RTC as to whether any claims exist and should be pursued against specific persons in connection with Madison have been held by me or other Treasury staff.

16151

8a

Question: Are you typically briefed on specific PLS cases?

– Not generally. But in this case I have received many requests from members of Congress for information. ~~[illegible]~~

– They have urged the RTC to do more and to take specific actions.

8 b

Question: Why did the Treasury people participate?

Answer: From the outset of ~~the~~ my appointment I invited a limited number of Treasury staff because there was no ~~position~~ permanent of general counsel and no deputy CEO more of my attention was required and I needed support as necessary

Insert 11A

I have had three brief discussions with Secretary Bentsen on matters relating to Madison.

- I alerted him that there was a possibility of criminal referrals being made in late September.
- In early February I described to him the process that the RTC was undertaking in connection with its review of Madison in light of the then impending February 28 deadline, and that I had received Congressional inquiries on whether I would recuse myself from the matter.

  I told him that I was reserving judgment on the recusal.
- Somewhat later I told him that I was not inclined toward a recusal.

Why did you have these conversations ?

To give him a "heads up" so that he would not be caught by surprise if he were to receive inquiries on these matters as Chairman of the Oversight Board.

16154

WHITEWATER/MADISON:

Question:

What has he said to you about the Madison investigation?

Answer:

Nothing.

Question:

Do you mean that he said nothing during your conversations?

Answer:

Only that he appreciated the "heads-up."

WHITEWATER/MADISON: JUSTICE DEPARTMENT

Question:

Has the Justice Department told the RTC what it can and cannot tell the Congress in matters relating to Madison Guaranty?

Answer:

- No. But I was advised the RTC had discussions with the Justice Department regarding the release of specific information contained in a criminal referral.
- This resulted from a highly unusual request by an individual member of Congress for this information.
- While the RTC regularly discusses with Justice such issues a the release of information related to that respective investigation, it was this Congressional request that prompted RTC's inquiry and an agreement at the request of the Justice Department that this information not be disclosed.
- This is consistent with RTC policy.

13.

No. But I was advised the RTC had discussions with the Justice Department regarding the release of specific information contained in a criminal referral. This was ~~the~~ resulted from a highly unusual request by an individual member of Congress for this information. While the RTC regularly discussed with Justice such issues as the release of information related to their respective investigations, it was ~~[illegible]~~ of this Congressional request ~~the~~ that ~~[illegible]~~ prompted RTC's inquiry and an agreement, at the request of the Justice Department that this information not be disclosed. This is consistent with RTC policy.

Whitewater/Madison: Congressional Request for Production of ATF and Secret Service Documents

Q. Does Treasury have any documents relating to Vince Foster's death?

A. We recently received a Congressional request for such documents. Our search to date has identified several Bureau of Alcohol, Tobacco and Firearms and Secret Service documents.

Q. What is the Department doing in response to that Congressional request?

A. We continue to search our files for responsive material. In addition, as you are aware, the jurisdiction of Special Counsel Robert A. Fiske includes looking into the investigation of Mr. Foster's death. Accordingly, we have referred to the Special Counsel the documents that we have located and have asked his views on whether they can be released.

Q. Why do those bureaus have documents related to the investigation of Mr. Foster's death?

A. ATF was asked by the Park Police to do laboratory analysis of physical evidence the Park Police had collected in their investigation of Mr. Foster's death. Secret Service generated documents in connection with their responsibility for physical security at the White House, including Mr. Foster's office.

Q. Why don't you release them?

A. We have an obligation not to jeopardize an on-going investigation. Although we believe that, at least a portion of them will not be relevant to the investigation. Mr. Fiske is conducting the investigation and it is his decision what documents can be released. We hope that he will give a prompt reply to our request that he make conclusions about these documents.

WHITEWATER/MADISON: INDEPENDENT COUNSEL

Question:

Secretary Altman, has the RTC been in contact with the Special Counsel Robert Fiske? Have you participated in these conversations?

Answer:

-- I understand that there have been several telephone conversations with Mr. Fiske and his staff and ~~[illegible]~~ RTC ~~legal~~ staff regarding various procedural matters.

-- I have not participated in any of those discussions.

Question: what procedural matters?

Answer: I don't have any idea of what they ~~[illegible]~~ were.

WHITEWATER/MADISON:

Question:

Tell us about the documents which the RTC provided to Mr. Fiske.

Answer:

The RTC is cooperating fully with the Independent Counsel. Any discussion of information on documents received by him should be addressed to him.

~~[illegible]~~ [illegible] advised [illegible] to protect ~~[illegible]~~ Mr. Fiske's investigation [illegible] [illegible] ~~[illegible]~~ [illegible] in documents [illegible] to [illegible] comment on documents produced ~~[illegible]~~ ~~[illegible]~~ ~~him~~.

Question: ~~[illegible]~~ would like you to tell us.

15A Who at the RTC has access to these documents?

"I [redacted] only know that the RTC's General Counsel has access. Beyond that I cannot comment.

16161

WHITEWATER/MADISON:

Question:

What is the RTC doing to get those documents back?

Answer:

The RTC maintains copies of any documents in its possessic which it has provided to the Independent Counsel.

Question: Are there other documents where the RTC needs which it can't get?

Answer: I've been advised that ~~no~~ ~~no documents would~~ I should not comment on documents related to any ongoing investigation

WHITEWATER/MADISON: ROSE LAW FIRM

Question:

Secretary Altman, has the RTC investigated the Rose Law firm and whether or not it correctly represented possible conflicts when soliciting business with the RTC? Have you recused yourself from this matter?

Answer:

the RTC

-- The FDIC, as exclusive agent for the FSLIC, was the original conservator of Madison and as such, retained the Rose law firm. As you know the FDIC has investigated the circumstances arising out of that relationship and has released the report. Perhaps Acting Chairman Hove might like to briefly expand upon the report.

-- I understand that the General Counsel received a report prepared by the RTC Office of Contractor Oversight. The report was presented to the FDIC during its investigation of the Rose Law Firm. The General Counsel has also advised me that the report does not contradict the information reviewed and the conclusions reached by the FDIC.

-- I am not aware of any information which would contradict the FDIC report.

QUESTIONS RELATED TO WHITEWATER/MADISON

Question:

Why is the RTC refusing to provide information about Madis
and Whitewater to this Committee?

Answer:

-- At the present time the RTC has not received a reque
from this Committee and is cooperating to the fullest exte
possible under the law with the investigations by individu
members (Rep. Leach/Sen. D'Amato).

Question:

Haven't you refused to provide specific information to membe
of the Committee (Rep. Leach/Sen. D'Amato) and their sta
which they have advised you is extremely important to the
carrying out of their duties?

Answer: (P

-- ~~To date~~ T the RTC has not received a request from t
Committee for any documents. however, Absent a request from t
Committee, the RTC ~~[illegible]~~ can not provide
individual Members of Congress in the following areas:

- -- Information regarding the personal and corpora
financial records in its possession;
- -- Information relating to criminal investigations;
- -- Information which is privileged; and,
- -- Material relating to possible civil litigation.

-- Release of these types of information to individu
Members of Congress could jeopardize the governments's abili
to bring and subsequently prosecute both civil and crimin
matters.

In addition, the release of certain information could be
violation of the Privacy and Trade Secrets Acts that in tu
would lead to possible liability to the government offici
responsible for their release and to the government as wel

— [illegible] that we have [illegible] provided volumes of information to ~~the~~ independent ~~[illegible]~~ members of Congress regarding Madison Guaranty. Indeed, I would suggest we sent 6,500 pages of material to Senator D'Amato. ~~[illegible]~~

WHITEWATER/MADISON:

Question:

What were the internal RTC processes which led to the decisic in October to refer this to the Justice Department?

Answer:

It is standard RTC practice to review institutions fc criminal activity sometimes even after the statute c limitations on civil claims has expired and to make crimina referrals where warranted. Those reviews are conducted in RT field offices and referrals are made directly from the fiel offices to the appropriate U.S. Attorney's office.

It is the policy of RTC Investigations to make crimina referrals where there is a reasonable basis to believe that crime has been attempted or committed.

Q. Were you told what names would be included in the referral?

Yes, I was told. [redacted]

Q. Who were they?

I cannot comment,

WHITEWATER/MADISON:

Question:

Who was involved in that decision?

Answer:

I am not sure. Normally,

~~R~~eferrals are made by the Criminal Coordinator working f RTC's investigations unit in the field office. ~~The referr would have been made directly to the appropriate U. Attorney's office without prior review in Washington.~~

WHITEWATER/MADISON:

__Question:__

When did the RTC first turn its attention to Madison?

__Answer:__

The RTC became responsible for resolving Madison's affairs on August 9, 1989.

[illegible]

~~[illegible]~~

repeat answer to 43

WHITEWATER/MADISON:

Question:

Who in the RTC was involved at the beginning?

Answer: [illegible]

From February 1989 to August 1989, scores of FDIC staff an supervisors were involved in disposing of assets, evaluatin claims of creditors, and investigating and pursuin professional liability claims.—Through a process which bega in August of 1989, RTC personnel gradually took over thes responsibilities. Throughout most of 1990 and 1991, the FDI maintained one Legal Division to represent both the RTC an FDIC. —The RTC Professional Liability Section ("PLS" (responsible for investigating and pursuing claims agains former directors, officers, accountants, attorneys, appraisers, and brokers of failed financial institutions, a well as against insurance companies who provide coverage t such individuals and firms) remained a branch of the FDIC PL until September 10, 1991.

WHITEWATER/MADISON:

Question:

When did the Madison matter first come to the attention of the RTC's Washington office?

Answer: [illegible] ~~[illegible]~~
— ~~[illegible] 1991 [illegible] RTC [illegible]~~ [illegible]

Neither the FDIC nor RTC PLS employed staff in field offices until the Spring of 1991. — Consequently, professional liability attorneys responsible for Madison have always been located in Washington. On ~~the other hand, in house~~ investigators have been located in various field ~~offices~~ over the years. Personnel responsible for ~~other~~ functions of the conservatorship and receivership ~~have~~ been located in various field offices. All field ~~offices~~ work under the supervision of headquarters in ~~Washington~~. Different "Madison matters" have ~~come to the~~ attention of the RTC's Washington office at ~~different times~~.

WHITEWATER/MADISON:

Question: [illegible] ~~[illegible]~~ lapse

~~Why was the statute of limitations in this matter originally permitted to lapse?~~

Was a claim permitted [illegible] the statute of limitations lapsed?

Answer:

The original statute of limitations for director and officer and other professional liability claims was not "permitted to lapse". No statutes of limitations for PLS matters in thrifts under RTC control were permitted to expire without either filing appropriate civil actions, settling claims prior to filing or reaching a decision to close investigations because the dual criteria of viable and cost-effective claims could not be met. The decision not to pursue claims against former officers, directors, attorneys and appraisers for Madison was based on these factors. Madison filed suit against Frost and Co., its accountants, in 1988, and the government continued to pursue these claims. In 1991, the RTC settled with Frost.

WHITEWATER/MADISON:

Question:

Who made the decision to permit that?

Answer:

The investigations into all Madison professional liability matters, other than the audit failure case against Frost & Co., were closed by officials in the FDIC Legal Division responsible for RTC matters and by officials in the RTC Office of Investigations. [illegible]

The settlement of the audit failure case was approved by officials in the FDIC Legal Division responsible for RTC matters and by business side officials of the RTC.

1

Question:

Why are you unwilling to recuse yourself?

Answer:

- First, your obvious point is that I should not play any role in the RTC's eventual decision to pursue a civil claim, or not pursue one, in the Madison Guaranty matter. Well, I probably will not be doing so.

- My appointment as interim CEO under the Vacancy Act expires on March 30, 1994. I will have no role with the RTC beyond that date unless a nomination for permanent CEO has been sent to Congress. That is unlikely. Plus, the RTC General Counsel has advised me that any recommendations she makes on Madison Guaranty will not be formulated before that time. I will, therefore, most likely have no role in the RTC's decisions on the matter.

16173

Question:

If the Administration were to submit a nomination to the Senate before your Vacancy Act appointment expires, will your appointment automatically be extended? If so, how can we be certain that you will not be the CEO when a decision is made?

Answer:

- It is correct that the submission of a nomination to the Senate would be extended the appointment. However, in my view it is very unlikely that a nomination will be formally submitted by the end of March.

Question:

But what if a nomination were submitted?

Answer:

- I would have to evaluate the situation. But, frankly, I think it is extremely unlikely.

16174

Question:

You still should recuse yourself. Why don't You?

Answer:

- As I said, the point is probably moot. Most likely, I'll have no role in any RTC decisions on pursuing a civil claim in the Madison matter.
- Also, I consulted both with the relevant RTC ethics officer and with the relevant Treasury ethics officer.
- Both ethics officers advised me that there was no requirement for a recusal in this matter. The specific statutes and regulations involved do not define this as a case requiring recusal.
- Both ethics officers advised me that any decisions on recusal normally would be made when a matter is ready for decision. The Madison matter, as I've said, is not ready.

Question:

Doesn't your relationship with The President and Mrs. Clinton require a recusal? Isn't there the appearance of a conflict of interest?

Answer:

- First, as I said, I'll probably not be playing any role in this matter.
- Second, I'm playing no role whatsoever right now in the RTC's investigation of this case. I've seen no documents. I've had no conversations at all on where the investigation stands. I have no idea what recommendations the General Counsel will reach. They probably will be completed after I've left.
- Third, I might point out the RTC referred this matter to the Justice Department for possible criminal review last October. I was also interim CEO at that time.
- I was advised at that time that such a review was being conducted and that a decision on referral to Justice would be made.

Question:

Were you asked how it should be handled?

Answer:

- As certain Treasury and RTC officers will attest, I took the position that normal procedures should be followed. If such a decision on referral was typically made at the regional office level, my view was that it should be made that way in this matter.

Question:

What conversations have you had with The White House on this matter?

Answer:

- I've had one substantive conversation and which wasn't. Approximately three weeks ago, Jean Hanson (Treasury General Counsel) and I requested a meeting with Mr. Nussbaum, White House Counsel.
- The purpose of the meeting was to describe the procedural reasons for the then impending February 28 deadline: Due to the Completion Act, the statute of limitations was retroactively reinstated for certain types of civil claims (those relating to fraud and certain claims relating to intentional misconduct); as it related to Madison Guaranty, it would expire the end of February. Finally, if the RTC were to determine that any such claims existed, the RTC would have to determine whether to seek a tolling agreement or commence litigation.
- We made clear that we had no idea at all what decision would be reached. I did say, however, that if I received a clear recommendation from the RTC's chief legal officer, I would follow it. I also said that I was reserving judgment on a recusal.
- We were only asked one question. Did the RTC intend to provide the same briefing on the RTC's processes to attorneys for the parties in interest. I said that I assumed so but would check with the RTC General Counsel.
- Jean Hanson did check and was told "In due course." I said "fine".

Question:

Why did you brief the White House on those processes?

Answer:

- Solely to ensure that they understood the legal, procedural framework within which the RTC was working. (If you recall, at that time the February 28 date was the subject of major attention in the Congress and the press.) It is not uncommon for meetings of this type to take place. The meeting could have taken place between the lawyers; this was simply a legal briefing with a larger audience.

Question:

Who else attended that meeting?

Answer:

- Mr. Ickes, Ms. Williams and one of Mr. Nussbaum's assistants.

Question:

Were there any other conversations at all?

Answer:

- The only other discussion -- which lasted about five minutes -- occurred later when I indicated that I was not inclined towards a recusal.

Question:

Has the White House attempted to influence your decision on these matters?

Answer:

- No. It is understood that the RTC must complete the task that it has been given and, of course, The White House respects the independence of the RTC.

Question:

Are you a close friend of the Clintons?

Answer:

- I know them well, yes.

Question:

Do you consider yourself a FOB?

Answer:

- Yes, as I understand that term to be used.

Question:

Do you think your relationship with The President should disqualify you from playing any role in Madison?

Answer:

- As I said, I probably won't be playing any role. If I were to play a role my answer would be no. When I was advised that a referral to Justice was likely, my position was that all the normal procedures should be followed. In that case, such decisions are often made by regional offices and my view was that nothing should be different.
- That would be my stance on Madison. If I received a clear recommendation on it from the chief legal officer, I'd follow it.
- I've never played favorites on sensitive matters, let alone one of this sensitivity, and I wouldn't do so here.

6 (con't.)

__Question__:

Have you attempted to influence the RTC's review of the Madison Guaranty matter or the outcome of its decision?

__Answer__:

- No.

__Question__:

Why did the Treasury General Counsel accompany you and not the RTC General Counsel?

__Answer__:

- **We discussed only the broad procedural framework of the statute of limitations issue and the presence of the RTC General Counsel was not necessary. No specifics were, or were intended to be discussed.**

6a

Question:

Ricki Tigert chose to recuse herself. You didn't. What's different about the two cases?

Answer:

- I can't comment about Ricki Tigert's decision. I haven't discussed it with her. I don't know the FDIC procedures which pertain to it. It's not my role to speculate on her decision.

16181

Question:

Have you issued any instructions to RTC staff on this investigation? What were they?

Answer:

- I advised the Deputy CEO and the General Counsel of the RTC that I expected that all standard procedures would apply to the RTC's handling of this matter. Other than that, I have issued no instructions.

16182

Question:

Have any other officials of the Treasury Department been involved in any discussions relating to the RTC's handling of Madison or related matters?

Answer:

- I and a very limited number of my Treasury staff have been briefed generally by RTC staff on a variety of issues related to the RTC's review of the Madison matter. Topics include:

  - RTC procedures related to document requests;

  - the causes of action that might be available to the RTC that fall within the extension of the statute of limitations contained in the RTC Completion Act;

  - the normal criteria applied by the RTC in seeking an Authority to Sue, tolling agreements with potential defendants, etc.; and,

  - the applicable statute of limitations and a chronology of the Madison matter beginning in 1989;

- No discussions of the actual decisions to be made by the RTC as to whether any claims exist and should be pursued against specific persons in connection with Madison have been held by me or other Treasury staff.

8a

Question:

Why did the Treasury people participate?

Answer:

- From the outset of my appointment I involved a limited number of Treasury staff to provide support as necessary because there was no permanent General Counsel and no Deputy CEO, and more of my attention was required.

Question:

What discussion with RTC staff have you personally had on Madison?

Answer:

- I have had some discussions with the Deputy CEO and General Counsel regarding the procedures being followed by the RTC. As I have repeatedly said, I have insisted that the RTC follow established procedures that are used in any other case when dealing with this matter.

9a

Question:

Are you typically briefed on specific PLS cases?

Answer:

- Not generally. But in this case I have received numerous inquiries from Members of Congress for information, which has required an understanding of the issues in order to adequately respond.

16186

Question:

Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC.

Answer:

- The Treasury General Counsel to my knowledge has not been active in the Madison matter.
- The RTC's General Counsel has been directing its efforts and has counseled me about the procedures being followed in the investigation.

Question:

What discussions on Madison have you had with Secretary Bentsen?

Answer:

- I have had three brief discussions with Secretary Bentsen on matters relating to Madison.
- I alerted him that there was a possibility of criminal referrals being made in late September.
- In early February I described to him the process that the RTC was undertaking in connection with its review of Madison in light of the then impending February 28 deadline, and that I had received congressional inquiries on whether I would recuse myself from the matter.
- I told him that I was reserving judgment on the recusal.
- Somewhat later I told him that I was not inclined toward a recusal.

Question:

Why did you have those conversations?

Answer:

- To give him a "heads up" so that he would not be caught by surprise if he was to receive inquiries on these matters as Chairman of the Oversight Board.

Question:

What has he said to you about the Madison investigation?

Answer:

- Nothing.

Question:

Do you mean that he said nothing during your conversations?

Answer:

- **Only that he appreciated the "heads up".**

Question:

Has the Justice Department told the RTC what it can and cannot tell the Congress in matters relating to Madison Guaranty?

Answer:

- I was advised the RTC had discussions with the Justice Department regarding the release of specific information contained in a criminal referral.
- The RTC regularly discusses such issues with Justice to ensure that RTC disclosure of information will not compromise any Justice investigation.

13a

Question:

Does Treasury have any documents relating to Vince Foster's death?

Answer:

- We recently received a Congressional request for such documents. Our search to date had identified several Bureau of Alcohol, Tobacco and Firearms and Secret Service documents.

Question:

What is the Department doing in response to that Congressional request?

Answer:

- We continue to search our files for responsive material. In addition, as you are aware, the jurisdiction of Independent Counsel Robert A. Fiske includes looking into the investigation of Mr. Foster's death. Accordingly, we have referred to the Special Counsel the documents that we have located and have asked the views on whether they can be released.

Question:

- Why do those bureaus have documents related to the investigation of Mr. Foster's death?

Answer:

- ATF was asked by the Park Police to do laboratory analysis of physical evidence the Park Police had collected in their investigation of Mr. Foster's death. Secret Service generated documents in connection with their responsibility for physical security at the White House, including Mr. Foster's office.

13a (con't.)

Question:

Why don't you release them?

Answer:

- **We have an obligation not to jeopardize an ongoing investigation. Although we believe that, at least a portion of them will not be relevant to the investigation, Mr. Fiske is conducting the investigation and it is his decision what documents can be released. We hope that he will give a prompt reply to our request that he make conclusions about these documents.**

16192

Question:

- Secretary Altman, has the RTC been in contact with the Special Counsel Robert Fiske? Have you participated in these conversations?

Answer:

- I understand that there have been several telephone conversations with Mr. Fiske and his staff and RTC staff regarding various procedural matters.
  - I have not participated in any of those discussions.

Question:

Tell us about the documents which the RTC provided to Mr. Fiske.

Answer:

- The RTC is cooperating fully with the Independent Counsel. I am advised that in order to protect Mr. Fiske's investigation I should not comment on documents produced to him.

Question:

Who at the RTC has access to these documents?

Answer:

- I only know that the RTC's General Counsel has access. Beyond that I cannot comment.

Question:

What is the RTC doing to get those documents it has previously provided the Justice and Mr. Fiske back?

Answer:

- I understand that the RTC maintains copies of any documents in its possession which it has provided to the Independent Counsel.

Question:

Are there other documents which the RTC needs which it can't get?

Answer:

- The RTC is going to investigate the facts, and seek all documents which are relevant. Obviously it wants to make litigation decisions on the best information in existence and will do whatever is necessary in order to obtain the information it needs.

16a

Question:

Why shouldn't the investigation of Madison be done solely by the Independent Counsel appointed by the Attorney General instead of the RTC conducting its own investigation?

Answer:

- The RTC is required by law to maximize the recoveries of assets from failed institutions in RTC conservatorships or receiverships and the RTC is without authority to delegate its responsibilities in this matter.

16196

Question:

Secretary Altman, has the RTC investigated the Rose Law firm and whether or not it correctly represented possible conflicts when soliciting business with the RTC?

Answer:

- I understand that the General Counsel received a report prepared by the RTC Office of Contractor Oversight. The report was presented to the FDIC during its investigation of the Rose Law Firm.
- With respect to the Office of Contractor Oversight report, the General Counsel has also advised me that the report does not contradict the information reviewed and the conclusions reached by the FDIC.
- The FDIC, as exclusive agent for the FSLIC, was the original conservator of Madison and as such, retained the Rose law firm not the RTC. As you know, the FDIC has investigated the circumstances arising out of that relationship and has released the report. Perhaps Acting Chairman Hove might like to briefly expand upon the report.

NOTE: **If questioned about other RTC institutions where the Rose Firm was hired -- We can get that for the record.**

16197

Question:

Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater?

Answer:

- I only know what I read in the newspapers.

Question:

Why is the RTC refusing to provide information about Madison and Whitewater to this Committee?

Answer:

- To date the RTC has not received a request from the Committee and is cooperating to the fullest extent possible under the law with the investigations by individual Members of Congress.

19a

Question:

Haven't you refused to provide specific information to members of the Committee and their staffs which they have advised you is extremely important to their carrying out of their duties? Why has the RTC taken the position that an individual Member of Congress only has the standing of an average citizen when making requests of the agency for information?

Answer:

- First, let me say that the RTC has attempted to cooperate as fully as possible under the law with document requests by individual Members of Congress.
- We have provided volumes of information to individual members of Congress regarding Madison Guaranty. We have sent 6,500 pages of material to Senator D'Amato and have been providing documents to Congressman Leach's staff since late December of last year for a total of 13,000 pages.
- The RTC has taken the position that requests for information from individual Members of Congress have the same standing as FOIA requests and are subject to the same exceptions. There is no credible legal theory or authority to the effect that the law is otherwise.
- Providing privileged information to an individual member of Congress would likely waive all applicable privileges and could result in other violations of law.
- RTC's position is consistent with that of other agencies and of the Department of Justice.
- We are most concerned that we not take steps which would impair the RTC's and the Special Counsel's ability to carry out their responsibilities or violate relevant law.

19a (con't.)

Question:

What are the problems with releasing all the requested documents to individual Members of Congress?

Answer:

- Absent a request from the Committee, the RTC is limited in what it can provide to individual Members of Congress in the following areas:
    - Information regarding the personal and corporate financial records in its possession;
    - Information relating to criminal investigations;
    - Information which is privileged; and,
    - Material relating to possible civil litigation.
- Release of these types of information to individual Members of Congress could jeopardize the governments's ability to bring and subsequently prosecute both civil and criminal matters.
- In addition, the release of certain information could be a violation of the Privacy and Trade Secrets Acts that in turn would lead to possible liability to the government official responsible for their release and to the government as well.

20a

Question:

As the Chairman of this Committee, I am requesting that the RTC provide the information requested to the majority and minority staffs of this Committee.

Answer:

- The Justice Department and the Special Counsel, Mr. Fiske, has requested that with respect to Madison, the RTC make no information available about criminal referrals without its consent.
- The RTC, in addition to its obligations to comply with the law the RTC is deeply concerned about the provision of information which could have a negative impact on its investigation or litigation of any matter.
- I would also request on behalf of the RTC that appropriate safeguards be implemented after consultation with the staff of the Committee to protect the confidentiality of information and to preserve the privileged nature of any information which might be disclosed.
- Mr. Chairman, the RTC will respond as to its position on this request expeditiously after consultation with the Special Counsel and the Justice Department.

Question:

Has the RTC applied this policy for all document requests by individual Members of Congress?

Answer:

- The RTC's policy with respect to this type of matter is a non-partisan one. The RTC has treated Democrats similarly to Republicans. The RTC has previously provided privileged information to Congressional Committees with safeguards such as a promise of confidentiality or under threat of subpoena which protects the agency from a claim that its privileges have been waived by disclosure to Congress. For example, the RTC has disclosed:
  - Information regarding Southwest Savings litigation requested by a majority member of the Senate Banking Committee. The information was disclosed only after the RTC received a [written] promise of confidentiality from the [Committee];
  - Information regarding HomeFed requested by the majority of the House Banking Committee. The Chairman of the Committee, in writing threatened to issue a subpoena for the requested material;
  - Information protected by the Privacy Act requested by a majority member of the House Subcommittee on Civil Service (Rep. Schroeder) was denied originally and released only after a promise of confidentiality by the Chairman of the Subcommittee.
- In the absence of such safeguards, the RTC would have to consider all its options in order to avoid jeopardizing its statutory obligations.

Question:

How many criminal referrals were made by the RTC relating to Madison? When were they made? Could you provide a copy of these referrals to the committee?

Answer:

- It is the policy of the RTC not to discuss criminal referrals on an institution specific basis;
    - All questions concerning criminal investigations should be directed to the Justice Department, and in the case of Madison Guaranty to Special Counsel Robert Fiske.

Question:

What are the RTC processes for criminal referrals? What were the RTC processes which led to the decision in October to refer this to the Justice Department?

Answer: (ELLEN TO TAKE THIS QUESTION)

- It is standard RTC practice to review institutions for criminal activity sometimes even after the statute of limitations on civil claims has expired and to make criminal referrals where warranted. Those reviews are conducted in RTC field offices and referrals are made directly from the field offices to the appropriate U.S. Attorney's office.
- It is the policy of RTC Investigations to make criminal referrals where there is a reasonable basis to believe that a crime has been attempted or committed.

Question:

Were you told what names would be included in the referral?

Answer:

- Yes, I was told.

Question:

Who were they?

Answer:

- I cannot comment.

Question:

Who was involved in that decision?

Answer:

- I am not sure. Normally, referrals are made by the Criminal Coordinator working for RTC's Investigations unit in the field office.

Question:

When did the RTC first turn its attention to Madison?

Answer: (ELLEN TO TAKE THIS QUESTION)

- The RTC became responsible for resolving Madison's affairs on August 9, 1989.
- Madison Guaranty Savings was declared insolvent and placed in conservatorship on February 28, 1989.
- The Federal Home Loan Bank appointed the Federal Savings and Loan Insurance Corporation ("FSLIC") to serve as Madison's conservator.
- By agreement between the FSLIC and the Federal Deposit Insurance Corporation ("FDIC"), the FDIC immediately became the Managing Agent for the Madison conservatorship.
- The FDIC managed the conservatorship until ("FIRREA") was signed into law on August 9, 1989.
- The FDIC remained the managing agent for the RTC until the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 became effective in December of 1991.

Question:

Who in the RTC was involved at the beginning?

Answer:

- I don't know.

Question:

- When did the Madison matter first come to the attention of the RTC's Washington office?

Answer:

- I don't know.

Question:

Why wasn't a claim pursued before the statute of limitations lapsed?

Answer: (ELLEN TO TAKE THIS QUESTION)

- The original statute of limitations for director and officer and other professional liability claims was not "permitted to lapse".
- The statutes of limitations for PLS matters in thrifts under RTC control were not permitted to expire without either filing appropriate civil actions, settling claims prior to filing or reaching a decision to close investigations because the dual criteria of viable and cost-effective claims could not be met.
- The decision not to pursue claims against former officers, directors, attorneys and appraisers for Madison was based on these factors.
- Madison filed suit against Frost and Co., its accountants, in 1988, and the government continued to pursue these claims. In 1991, the RTC settled with Frost.

Question:

Who made the decision to permit the original statute of limitations to expire?

Answer: **(ELLEN TO TAKE THIS QUESTION)**

- **The investigations into all Madison professional liability matters, other than the audit failure case against Frost & Co., were closed by officials in the FDIC Legal Division responsible for RTC matters and by officials in the RTC Office of Investigations. (dual sign offs)**
- **The settlement of the audit failure case was approved by officials in the FDIC Legal Division responsible for RTC matters and by business officials of the RTC.**

Question:

Why has it been almost five years since Madison failed and no civil action has been taken while many criminal referrals have been made?

Answer: (ELLEN TO TAKE THIS QUESTION)

- While an in-depth response concerning the actions taken by he RTC in connection with Madison must await a later date, let me provide you with a review of significant events:
    - The original statute of limitations for Madison civil claims expired in early 1992;
    - Before that date, the FDIC and subsequently the RTC pursued a civil claim against Madison's former auditors. This case was originally filed by Madison (the institution) prior to its failure and was successfully settled. Certain other litigation was also pursued.
- Despite the fact the statute of limitations for civil claims had expired in early 1992, the RTC has continued to assess Madison, as well as other institutions, as to whether criminal referrals should be made since the statute of limitations period for criminal charges is longer.
- With the enactment of the RTC Completion Act in December 1993, the statute of limitations was renewed with respect to a limited class of civil actions.
- The statute of limitations with respect to those civil actions extended in December 1993 was again extended as part of the recently enacted California Earthquake Relief Act. The statute of limitations expires on December 31, 1995.
- The review of whether any civil claims relating to Madison as well as other institutions are sound and cost effective is underway.

Question:

Has the RTC ever uncovered any ties between Madison and Whitewater, or Madison and the Clintons?

Answer:

- Since these matters are under investigation, it would be inappropriate to comment on them at this time. Discussing specific information could materially impair both the civil and criminal investigations which are underway.

16213

Question:

Had Congress not just extended these limitations, what would the RTC have done on Madison before the February 28 deadline?

Answer:

- Although it would not have been easy to complete this investigation in the time originally allotted in the RTC Completion Act, RTC was prepared to take the necessary steps to do the best job possible.

16214

Question:

What is the RTC doing at this very moment to reach a decision on a civil claim?

Answer:

- Beginning in January 1994, the RTC commenced a new investigation of the claims revived by the Completion Act.
- It assembled a team of experienced in-house attorneys supervised by a Senior Counsel and Legal Division managers.
- Further, we hired outside counsel to assist us.
- We expect to make decisions about pursuing revived claims during 1994.

Question:

Who at the RTC is doing that work?

Answer:

- A team of in-house attorneys supervised by a Senior Counsel and Legal Division managers, as well as outside counsel.

Question:

Who is the outside counsel?

Answer:

- Pillsbury, Madison & Sutro.

Question:

When will a decision be reached?

Answer:

- I have been advised that the staff anticipates that decisions on pursuing specific claims should be made in 1994.

16217

Question:

What is being done to safeguard the RTC documents on this case?

Answer:

- I don't have any specific information about this.

16218

Question:

If the RTC were to file a claim in court against the Clintons, how would that work? What would the RTC seek, etc.?

Answer:

- The RTC would follow its normal procedures if it decides to file a claim against anyone. I have instructed the RTC to handle this matter like it would any other.

Question:

In light of the problems with RTC PLS, why do you think that it can adequately investigate the Madison claims?

Answer:

- As I said in my testimony, we have made great progress in addressing the problems which have been identified with RTC PLS.
- We have greatly strengthened our management team with the recent appointment of Ellen Kulka, a very knowledgeable attorney in PLS matters, as the General Counsel of the agency.
- Many of the problems with PLS had to do with inadequate numbers of experienced staff, and I have taken steps to address these problems. RTC PLS now has the largest number of attorneys in its history, and I recently approved the creation of 4 new managerial positions to improve oversight of cases and investigations.
- The naming of an Assistant General Counsel for Professional Liability, pursuant to the RTC Completion Act, with responsibility for supervising both legal staff and investigative personnel in this area, will also improve coordination between these units.

Question:

Why did the Clinton Administration oppose a retroactive extension of the statue of limitations in the RTC Completion Act?

Answer:

- **The Administration did not oppose the RTC Completion Act's extension of the statute of limitations.**
- **The Administration's proposed legislation to fund the completion of the RTC in March 1993 did not contain a provision to extend the statute of limitations.**
- **During Congressional consideration of provisions to be included in this legislation, Treasury was asked for its views on an extension of the statute of limitations. While we did not support the provision, we did not express any opposition.**

Question:

Did Madison Guaranty matters enter into that decision?

Answer:

- No.

16222

Question:

- What is the RTC doing to ensure that claims for which the statute of limitations has been extended are being investigated?

Answer:

- The RTC legal staff is in the process of establishing procedures that will identify potential cost effective claims that have been extended by the RTC Completion Act. Such procedures will include review of prior RTC actions and, in some cases, additional investigations. Since over 400 institutions are involved, the process will likely take some time and resources to complete.

Question:

When did Madison Guaranty collapse?

Answer: (ELLEN TO TAKE THIS QUESTION)

- Madison Guaranty Savings was declared insolvent and placed in conservatorship on February 28, 1989.
- The Federal Home Loan Bank appointed the Federal Savings and Loan Insurance Corporation ("FSLIC") to serve as Madison's conservator.
- By agreement between the FSLIC and the Federal Deposit Insurance Corporation ("FDIC"), the FDIC immediately became the Managing Agent for the Madison conservatorship.
- The FDIC managed the conservatorship until ("FIRREA") was signed into law on August 9, 1989.
- The FDIC remained the managing agent for the RTC until the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 became effective in December of 1991.

Question:

Who made the decision to put Madison into conservatorship?

Answer:

- The Federal Home Loan Bank Board.

Question:

Tell us about the federal oversight of Madison before the collapse.

Answer:

Madison was regulated by the Federal Home Loan Bank Board, the predecessor agency to the Office of Thrift Supervision. I am not in a position to answer questions about regulation of Madison before its collapse.

Question:

Why was McDougal permitted to loot the institution the way he did?

Answer:

I have no specific information about the operation of Madison in the 1980's.

Question:

Wasn't that a dereliction of oversight? Who was responsible?

Answer:

- The RTC does not and did not regulate financial institutions and therefore I am not in a position to respond.

16228

Question:

- Do you think that the President and/or Mrs. Clinton have broken any laws in this matter?

Answer:

- In my role as Interim CEO of the RTC, it is inappropriate for me to speculate.

16229

Question:

Have they acted in an ethical fashion?

Answer:

- As the interim CEO of the RTC I just cannot comment on this.

16230

Question:

Aren't there, at the very least, appearances of impropriety on their part?

Answer:

- As Interim CEO of the RTC, it would be most inappropriate for me to comment.

Question:

What should be done if it is ultimately determined that laws were broken?

Answer:

- If the RTC's investigation determines that an individual or entity may have committed civil fraud, or intentional wrongdoing which resulted in substantial loss to the institution or unjust enrichment, then the RTC should do what is appropriate to recover from any such individual.

- As usual, any decision to seek a recovery must take into account the strength of the RTC's case and the cost effectiveness of any proposed litigation.

Question:

Has anyone at the RTC spoken to the President's attorney in this matter? Who has had that conversation?

Answer:

- I do not know.

Question:

Will the Oversight Board play any role at all in RTC decisions on Madison?

Answer:

- No.

Question:

Why did the RTC pay such huge fees, some as high as $600 an hour, to the law firm of Cravath, Swain & Moore?

Answer:

- This was done long before I arrived. I am not familiar with the specifics.

⑮

To: Sharon D. Hume@Legal-sc@RTCDC
Cc:
Bcc:
From: Peter E. Knight@OGR@RTCDC
Subject:
Date: Wednesday, February 23, 1994 0:16:25 EST
Attach: p:\public\wp\white2.qa
Certify: N
Forwarded by:

16236

POSSIBLE ANSWERS BY MR. ALTMAN ON WHITEWATER/MADISON QUESTIONS POSED BY THE OVERSIGHT BOARD

1. Secretary Altman, why have you failed to recuse yourself thus far from the RTC's work relating to Madison Guaranty? How many discussions have you had concerning Madison and related matters?

I have conferred with the appropriate Ethics Officers and have been advised that I am not required under applicable ethical standards to recuse myself. I have had several discussions concerning Madison relating to the procedures to be followed and the nature of legal issues raised. No discussions in which I have been involved up to this time have included specific analyses or reports on the matters raised in Madison other than what I have described.
(Mr. Altman may decide no response is appropriate but the foregoing constitutes one approach if he chooses to respond.)

2. Have any other officials of the Treasury Department been involved in any substantive discussions relating to the RTC's handling of Madison or related matters?

It is my understanding that any other involvement by Treasury personnel has been solely with respect to the process being followed and has not dealt with substantive issues.

3. Secretary Altman, have you or any other Treasury officials held any conversations with the White House concerning this matter?

---

4. Has the Justice Department told the RTC what it can and cannot tell the Congress in matters relating to Madison County?

Consistent with past practices, the RTC has discussed the release of information that the Justice Department believes may hamper or affect its investigation of matters in which the RTC has information or an interest.

5. Secretary Altman, has the RTC investigated the Rose law firm and whether or not it correctly represented possible conflicts when soliciting business with the RTC? Have you recused yourself from this matter?

The RTC does not describe or respond to questions concerning specific investigations that it may be undertaking.

6. Secretary Altman, has the RTC been in contact with the Independent Counsel Robert Fiske? Have you participated in these conversations?

I understand that there have been several telephone conversations with Mr. Fiske and his staff and members of RTC's Legal staff. I have participated in no such discussions.

7. Why has the RTC taken the position that an individual member of Congress only has the standing of an average citizen when making requests of the agency for information? Isn't it true that there is a certain amount of flexibility in interpreting the law regarding this question? Mr. Altman, were you involved in this decision? Were any other Treasury officials involved in this decision?

The RTC has taken the position that requests for information from individual Members of Congress have the same standing as FOIA requests and are subject to the same exceptions. There is no credible legal theory or authority to the effect that the law is otherwise. Providing privileged information to an individual Member of Congress would likely waive all applicable privileges and could also result in other violations of FOIA. Our position is consistent with that of other agencies and of the Department of Justice. We are most concerned that we take no steps which would impair our ability to carry out our responsibilities or violate relevant law. At the same time, we have provided individual Members of Congress with significant amounts of documentation and information within the limitations which I have described and we will continue to cooperate to the fullest extent possible. The decisions made with respect to information which may appropriately be shared have been made by the staff of the RTC in accordance with normal procedures.

8. Could you provide for the hearing record all documents relating to the RTC's investigations of civil or criminal matters relating to Madison?

Providing this information at a time when both civil and criminal investigations are ongoing would pose a substantial risk that these investigations could be compromised.

9. How many criminal referrals were made by the RTC relating to Madison? When were they made? Could you provide a copy of these referrals to the committee?

In accordance with the requirement under the law that it is the RTC and not the Oversight Board that makes determinations on specific cases and based on the concerns expressed in my responses to other requests for specific information, I believe that a substantive response would not be appropriate.

10. Why has it been almost five years since Madison failed and no civil action has been taken while many criminal referrals have been made?

While a response in-depth concerning the actions taken by the RTC in connection with Madison must await a later date, let me review several significant events. The original statute of limitations for Madison civil claims expired on the three-year anniversary of the appointment of a receiver in early 1992. Before that point, there was a civil claim pursued first by FDIC and then the RTC against Madison's former auditors; this case was originally filed by Madison prior to its failure and was successfully settled. Certain other litigation was also pursued. Despite the fact the statute of limitation for civil claims had expired early in 1992, the RTC has continued to assess Madison, as well as other institutions as to whether criminal referrals should be made since the limitations period for criminal charges is longer. It was only the middle of December 1993, that the statute of limitations was renewed with respect to a limited class of civil actions. As you know, Congress last week extended the statute of limitations which would otherwise have expired institution by institution on dates from early in 1994 onward, to December 31, 1995.

11. Secretary Altman, last year you sent a letter to this committee indicating that the RTC had never missed a statute of limitations deadline, and that therefore an extension of the statutes was not necessary. Apparently no civil suits against directors, officers, or law firms involved with Madison were brought. Does this mean that the Madison situation was reviewed and that a decision was made at some point in the past that a suit would not be brought? When was this decision made?

For all the reasons described above, it is not appropriate to discuss an individual case with the Board at this time.

POSSIBLE ANSWERS BY MR. ALTMAN

Statute of Limitations Extension (from the RTC Completion Act):

The RTC has embarked on a program to review the disposition of claims and close out decisions at institutions affected by the Completion Act statute of limitations extender, as further amended on February 11, 1992. At the time the program was commenced, Congress had not acted to provide an extension of the statute of limitations through December 31, 1995. As a result, the Legal Division will be developing additional protocols to determine the priorities to be followed in such review given the time available.

PLS:

a. As you know, we have a new General Counsel who joined us in the middle of January upon whom I am depending to enhance the management of the PLS Section. I have advised her that this is a matter of the highest priority. Part of the approach that is being undertaken is a merger of the staff of the RTC PLS Section with the staff of the FDIC. This is being done in a manner that will address the management issues that have been raised.

b. The General Counsel of the RTC had advised me that she will be making the appropriate designation shortly.

What Conversations Have You Had with the White House on this Matter?

I've had on substantive conversation. Approximately three weeks ago, Jean Hanson (Treasury General Counsel) and I requested a meeting with Mr. Nussbaum, White House Counsel.

The purpose of the meeting was to describe the procedural reasons for the then impending February 28 deadline: the Completion Act, the statute of limitations was retroactively reinstated for certain types of civil claims (those relating to fraud and certain claims relating to intentional misconduct); as it related to Madison Guaranty, it would expire the end of February. Finally, if the RTC were to determine that any such claims existed, the RTC would have to determine whether to seek a tolling agreement or commence litigation.

We made clear that we had no idea at all what decision would be reached. I did say, however, that if I received a clear recommendation from the RTC's chief legal officer, I would follow it. I also said that I was reserving judgment on a recusal.

We were only asked one question. Did the RTC intend to provide the same briefing on the RTC's processes to attorneys for the parties in interest. I said that I assumed so but would check with the RTC General Counsel.

Jean Hanson did check and was told "in due course." "I said fine".

Why did you brief the White House on those processes?

Solely to ensure that they understood the legal, procedural framework within which the RTC was working. (If you recall, at that time the February 28 date was the subject of major attention in the Congress and the press.) It is not uncommon for meetings of this type to take place. The meeting could have taken place between the lawyers; this was simply a legal briefing with a larger audience.

Who else attended that meeting?

Mr. Ickes, Ms. Williams and one of Mr. Nussbaum's assistants.

Were there any other conversations at all?

The only other discussion -- which lasted about five minutes -- occurred later when I indicated that I was not inclined towards a recusal.

Has the White House attempted to influence your decision on these matters?

No. It is understood that the RTC must complete the task that it has been given and, of course, the White House respects the independence of the RTC.

Have you attempted to influence the RTC's review of the Madison Guaranty matter or the outcome of its decision?

No.

Why did the Treasury General Counsel accompany you and not the RTC General Counsel?

We discussed only the broad procedural framework fl the statute of limitations issue and the presence of the RTC General Counsel was not necessary. No specifics were, or were intended to be, discussed.

WHITEWATER/MADISON: CONVERSATIONS WITH THE WHITE HOUSE

Question:

Secretary Altman, have you or any other Treasury officials held any conversations with the White House concerning this matter?

Answer:

Madison/Whitewater

TABLE OF CONTENTS

I. RECUSAL

1. Why are You Unwilling to Recuse Yourself? 1
2. You Still Should Recuse Yourself, Why Don't You? 2
3. Doesn't Your Relationship with the President and Mrs. Clinton Require a Recusal? Isn't there the Appearance of a Conflict of Interest? 3
4. What Conversations Have You Had with The White House on this Matter? 4
5. Why did you brief the White House on those processes? . . . 5
6. Are you a close friend of the Clintons? 6
6a. Ricki Tigert chose to recuse herself. You didn't. What's different about the two cases? 6a

II. TREASURY

7. Have you issued any instructions to RTC staff on this investigation? What were they? 7
8. Have other Treasury officials been involved in Madison discussions? 8
9. What discussion with RTC staff have you personally had on Madison? 9
10. Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC. 10
11. What discussions on it have you had with Secretary Bentsen? 11
12. What has he said to you about the Madison investigation? 12

III. CONTACTS WITH DOJ/FISKE

13. Has Justice told RTC what it can/cannot tell Congress regarding Madison? 13
14. Has RTC been contacted by Independent Counsel Robert Fiske? Has Secretary Altman participated in these conversations? 14
15. Tell us about the documents which the RTC provided to Fiske. 15
16. What is the RTC doing to get those documents back? 16
16a. How could the RTC make its decision without access to those documents? 16a

IV. ROSE LAW FIRM

17. Has RTC investigated the Rose Law Firm for conflicts?. . .17
18. Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater? 18

V. INFORMATION TO CONGRESS

19. Why is RTC refusing to provide documents to the Committee? Haven't you refused to provide documents to Committee Members?. 19

20. As a Minority Member of this Committee, I'm requesting documents. As Chairman, I'm requesting documents. I insist. 20
21. Background on providing material to Congress 21
22. Why is RTC's position on Congressmen making info request that they have the standing of an average citizen?. . . . 22

VI. CRIMINAL REFERRALS

23. How many criminal referrals were made by RTC relating to Madison? When were they made?. 23
24. What were the internal RTC processes which led to the decision in October to refer this to the Justice Department? 24
25. Who was involved in that decision?. 25

VII. MADISON HISTORY

26. When did the RTC first turn its attention to Madison?. . 26
27. Who in the RTC was involved at the beginning?. 27
28. When did the Madison matter first come to the attention of the RTC's Washington office?. 28
29. Why was the statute of limitations in this matter originally permitted to lapse?. 29
30. Who made the decision to permit that?. 30

VIII. MADISON INVESTIGATION

31. Why has it been five years since Madison failed and no civil actions have been filed, yet many criminal referrals were made?. 31
32. Has the RTC ever uncovered any ties between Madison and Whitewater, or Madison and the Clintons? 32
33. What would the RTC have done on Madison if the Feb. 23 deadline had not been extended?. 33
34. What is the RTC doing at this very moment to reach a decision on a civil claim? 34
35. Who at the RTC is doing the work? 35
36. When will a decision be reached?. 36

37. What is being done to safeguard the RTC documents on this case? 37

38. If the RTC were to file a claim in court against the Clintons, how would that work? What would the RTC seek, etc.? 38
39. In light of the problems with RTC PLS, why do you think that it can adequately investigate the Madison claims? . . 39

IX. EXTENSION OF STATUTE OF LIMITATIONS

40. Why did the Clinton Administration oppose a retroactive extension of the statute of limitations in the RTC Completion Act? 40
41. Did Madison Guaranty matters enter into that decision?. 41
42. What is the RTC doing to ensure that claims for which the statute of limitations has been extended are being investigated? 42

X. PRIOR REGULATORY HISTORY

43. When did Madison Guaranty collapse? 43

44. Who made the decision to put Madison into conservatorship? 44
45. Tell us about the federal oversight of Madison before the collapse. 45
46. Why was McDougal permitted to loot the institution the way he did?. 46
47. Wasn't that a dereliction of oversight? Who was responsible? 47

XI. SPECULATION ON CLINTONS

48. Do you think that The President and/or Mrs. Clinton have broken any laws in this matter? 48
49. Have they acted in an ethical fashion? 49
50. Aren't there, at the very least, appearance of impropriety on their part? 50
51. What should be done if it is ultimately determined that laws were broken? 51
52. Has anyone at the RTC spoken to The President's attorney in this matter? Who has had that conversation? 52

XII. OVERSIGHT BOARD

53. Will the Oversight Board play any role at all in RTC decisions on Madison? 53

XIII. CRAVATH

54. Why did the RTC pay such huge fees, some as high as $600 an hour, to the law firm of Cravath, Swain & Moore? 54

16247

I. RECUSAL

16248

Question: Why are You Unwilling to Recuse Yourself?

Answer:

First, your obvious point is that I should not play any role in the RTC's eventual decision to pursue a civil claim, or not pursue one, in the Madison Guaranty matter. Well, I will not be doing so.

My appointment as interim CEO under the Vacancy Act expires on March 30, 1994. I will have no role with the RTC beyond that date. The RTC General Counsel has advised me that any recommendations she makes on Madison Guaranty will not be formulated before that time. I will, therefore, have no role in the RTC's decisions on the matter.

Question: You Still Should Recuse Yourself. Why Don't You?

Answer:

As I said, the point is moot. I'll have no role in any RTC decisions on pursuing a civil claim in the Madison matter.

Also, I consulted both with the relevant RTC ethics officer and with the relevant Treasury ethics officer.

Both ethics officers advised me that there was no requirement for a recusal in this matter. The specific statutes and regulations involved do not define this as a case requiring recusal.

Both ethics officers also advised me that any decisions on recusal normally would be made when a matter is ready for decision. The Madison matter, as I've said, is not ready.

But, most of all Senator, the circumstances are such that I'll not be playing any role.

Doesn't Your Relationship with the President and Mrs. Clinton Require a Recusal. Isn't there the Appearance of a Conflict of Interest?

First, as I said, I'll not be playing any role in this matter. There won't be, therefore, any appearances of a conflict.

Second, I'm playing no role whatsoever right now in the RTC's investigation of this case. I've seen no documents. I've had no conversations at all on where the investigation stands. I have no idea what recommendations the General Counsel will reach. They will be completed after I've left.

Third, I might point out that the RTC referred this matter to the Justice Department for possible criminal review last October. I was also interim CEO at that time.

I was advised at that time that such a review was being conducted and that a decision on referral to Justice would be made. As certain Treasury and RTC officers will attest, I took the position that normal procedures should be followed. If such a decision on referral was typically made at the regional office level, my view was that it should be made that way in this matter.

What Conversations Have You Had with the White House on this Matter?

I've had on substantive conversation. Approximately three weeks ago, Jean Hanson (Treasury General Counsel) and I requested a meeting with Mr. Nussbaum, White House Counsel.

The purpose of the meeting was to describe the procedural reasons for the then impending February 28 deadline: the Completion Act, the statute of limitations was retroactively reinstated for certain types of civil claims (those relating to fraud and certain claims relating to intentional misconduct); as it related to Madison Guaranty, it would expire the end of February. Finally, if the RTC were to determine that any such claims existed, the RTC would have to determine whether to seek a tolling agreement or commence litigation.

We made clear that we had no idea at all what decision would be reached. I did say, however, that if I received a clear recommendation from the RTC's chief legal officer, I would follow it. I also said that I was reserving judgment on a recusal.

We were only asked one question. Did the RTC intend to provide the same briefing on the RTC's processes to attorneys for the parties in interest. I said that I assumed so but would check with the RTC General Counsel.

Jean Hanson did check and was told "in due course." "I said fine".

Why did you brief the White House on those processes?

Solely to ensure that they understood the legal, procedural framework within which the RTC was working. (If you recall, at that time the February 28 date was the subject of major attention in the Congress and the press.) It is not uncommon for meetings of this type to take place. The meeting could have taken place between the lawyers; this was simply a legal briefing with a larger audience.

Who else attended that meeting?

Mr. Ickes, Ms. Williams and one of Mr. Nussbaum's assistants.

Were there any other conversations at all?

The only other discussion -- which lasted about five minutes -- occurred later when I indicated that I was not inclined towards a recusal.

Has the White House attempted to influence your decision on these matters?

No. It is understood that the RTC must complete the task that it has been given and, of course, the White House respects the independence of the RTC.

Have you attempted to influence the RTC's review of the Madison Guaranty matter or the outcome of its decision?

No.

Why did the Treasury General Counsel accompany you and not the RTC General Counsel?

We discussed only the broad procedural framework fl the statute of limitations issue and the presence of the RTC General Counsel was not necessary. No specifics were, or were intended to be, discussed.

Are you a close friend of the Clintons?

I know them well, yes. Am I one of their very closest circle? No.

Do you consider yourself a FOB?

Yes, as I understand that term to be used.

Do you think your relationship with the President should disqualify you from playing any role in Madison?

As I said, I won't be playing any role and the question is moot, if I were to be playing a role my answer would be no. When the issue of referring this to Justice arose, my position was that all the normal procedures should be followed. In that case, such decisions are often made by regional offices and my view was that nothing should be different.

That would be my stance on Madison. If I received a truly clear recommendation on it from the chief legal officer, I'd almost certainly follow it.

I've never played favorites on sensitive matters, let alone one of this sensitivity, and I wouldn't do so here.

Ricki Tigert chose to recuse herself. You didn't. What's different about the two cases?

I can't comment about Ricki Tigert's decision. I haven't discussed it with her. I don't know the FDIC procedures which pertain to it. It's not my role to speculate on her decision.

II. TREASURY

16256

WHITEWATER/MADISON:

Question:

Have you issued any instructions to RTC staff on this investigation? What were they?

Answer:

Other than to advise the Deputy CEO and the General Counsel of the RTC that I expected that all standard procedures would apply to the RTC's handling of this matter, I have issued no instructions.

WHITEWATER/MADISON: TREASURY INVOLVEMENT

Question:

Have any other officials of the Treasury Department been involved in any substantive discussions relating to the RTC's handling of Madison or related matters?

Answer:

-- I and a very limited number of my Treasury staff have been briefed generally by RTC staff on a variety of issues related to the RTC's review of the Madison matter. Topics include:

   -- RTC procedures related to document requests including the types of information that are releasable in the ordinary course to members of the public, members of the Congress acting in their individual capacity and as a Committee of the Congress;

   -- a general discussion of the causes of action that might be available to the RTC that fall within the extension of the statute of limitations contained in the RTC Completion Act;

   -- the normal criteria applied by the RTC in seeking an Authority to Sue, tolling agreements with potential defendants, etc.; and,

   -- the applicable statute of limitations and a chronology of the Madison matter beginning in 1989 with the seizure of the institution by the FDIC, the expiration of the FIRREA statute of limitations in 1992 and the revival of certain types of actions under the Completion Act and the further extension via the California Earthquake Relief Act;

-- During my service as the Interim CEO of the RTC I have had members of my Treasury staff sit in on a variety of briefings and discussions related to RTC matters. For instance, since I was appointed Interim CEO of the RTC I and members of my Treasury staff have had a standing Tuesday luncheon involving senior members of RTC including the Deputy CEO, the General Counsel and the Senior Vice President for Minority and Women's Business. Topics discussed during the course of these regular meetings include the implementation of the recently approved Completion Act.

-- No discussions of the actual decisions to be made by the RTC as to whether any claims exist and should be pursued against specific persons in connection with Madison have been held by me or other Treasury staff.

WHITEWATER/MADISON:

Question:

What discussion with RTC staff have you personally had on Madison?

Answer:

See Response to "Treasury Involvement" [Now at p. 2]

WHITEWATER/MADISON:

Question:

Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC.

Answer:

The Treasury General Counsel to my knowledge has not been active in the Madison matter. The RTC's General Counsel has been directing its efforts and has counseled me about the procedures being followed in the investigation.

WHITEWATER/MADISON:

Question:

What discussions on it have you had with Secretary Bentsen?

Answer:

I have had no substantive discussions of Madison with Secretary Bentsen. I did inform him generally of the process the RTC was undertaking concerning Madison as a result of the expansion of the statute of limitations in the Completion Act.

WHITEWATER/MADISON:

Question:

What has he said to you about the Madison investigation?

Answer:

Nothing.

III. CONTACTS WITH DOJ/FISKE

WHITEWATER/MADISON: JUSTICE DEPARTMENT

Question:

Has the Justice Department told the RTC what it can and cannot tell the Congress in matters relating to Madison Guaranty?

Answer:

-- Consistent with established practice, RTC staff has had discussions with the Justice Department prior to the appointment of the Special Counsel as to the release of information which may hamper or affect the investigation of matters in which the RTC has information or an interest.

-- RTC staff's discussions with the Justice Department and Special Counsel Fiske have involved issues such as coordination of the respective agency's investigations so as to not unduly delay or prejudice the possible prosecution of various claims or actions.

-- [Insert here any possible talking point related to the Klinger letter and response from the Treasury -- talk with Dennis Foreman first thing Tuesday!!]

WHITEWATER/MADISON: INDEPENDENT COUNSEL

Question:

Secretary Altman, has the RTC been in contact with the Special Counsel Robert Fiske? Have you participated in these conversations?

Answer:

-- I understand that there have been several telephone conversations with Mr. Fiske and his staff and Deputy CEO Jack Ryan as well as members of the RTC legal staff regarding various procedural matters.

-- I have not participated in any of those discussions.

WHITEWATER/MADISON:

Question:

Tell us about the documents which the RTC provided to Mr. Fiske.

Answer:

The RTC is cooperating fully with the Independent Counsel. Any discussion of information on documents received by him should be addresed to him.

WHITEWATER/MADISON:

Question:

What is the RTC doing to get those documents back?

Answer:

The RTC maintains copies of any documents in its possession which it has provided to the Independent Counsel.

WHITEWATER/MADISON:

Question:

How could the RTC make its decision without access to those documents?

Answer:

The RTC is going to investigate the facts, and seek all documents which are relevant. Obviously it wants to make litigation decisions on the best information in existence. That is not always possible and to the extent the RTC is unable to obtain material information the effectiveness of its investigation any any subsequent litigation could be impaired.

IV. ROSE LAW FIRM

WHITEWATER/MADISON: ROSE LAW FIRM

Question:

Secretary Altman, has the RTC investigated the Rose Law firm and whether or not it correctly represented possible conflicts when soliciting business with the RTC? Have you recused yourself from this matter?

Answer:

-- The FDIC, as exclusive agent for the FSLIC, was the original conservator of Madison and as such, retained the Rose law firm. As you know the FDIC has investigated the circumstances arising out of that relationship and has released the report. Perhaps Acting Chairman Hove might like to briefly expand upon the report.

-- I understand that the General Counsel received a report prepared by the RTC Office of Contractor Oversight. The report was presented to the FDIC during its investigation of the Rose Law Firm. The General Counsel has also advised me that the report does not contradict the information reviewed and the conclusions reached by the FDIC.

WHITEWATER/MADISON:

Question:

Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater?

Answer:

I only know what I read in the newspapers.

1627J

V. INFORMATION TO CONGRESS

QUESTIONS RELATED TO WHITEWATER/MADISON

Question:

Why is the RTC refusing to provide information about Madison and Whitewater to this Committee?

Answer:

-- At the present time the RTC has not received a request from this Committee and is cooperating to the fullest extent possible under the law with the investigations by individual members (Rep. Leach/Sen. D'Amato).

Question:

Haven't you refused to provide specific information to members of the Committee (Rep. Leach/Sen. D'Amato) and their staffs which they have advised you is extremely important to their carrying out of their duties?

Answer:

-- To date the RTC has not received a request from the Committee for any documents. Absent a request from the Committee, the RTC is limited in what it can provide to individual Members of Congress in the following areas:

-- Information regarding the personal and corporate financial records in its possession;

-- Information relating to criminal investigations;

-- Information which is privileged; and,

-- Material relating to possible civil litigation.

-- Release of these types of information to individual Members of Congress could jeopardize the governments's ability to bring and subsequently prosecute both civil and criminal matters. [In addition, the release of certain information could be a violation of the Privacy and Trade Secrets Act that in turn would lead to possible liability to the government official responsible for their release.][Check with Binkley]

Follow up:

As a Committee member (Minority Member) and as participant in this hearing, I am formally requesting that you supply the material previously requested (by Rep. Leach/Sen. D'Amato).

Answer:

-- The RTC is in something of an awkward position and would request that clarification be provided the RTC by the Committee Chair as to whether a request during the hearing from an individual member constitutes a formal request by the Committee as part of this hearing.

Follow up:

As the Chairman of this Committee (Chairman Riegle/Chairman Gonzalez), I am requesting that you provide the information requested to the majority and minority staffs of this Committee.

Answer:

-- The Justice Department and the Special Counsel, Mr. Fiske, has requested that with respect to Madison, the RTC make no information available about criminal referrals without its consent. The RTC, in addition to its obligations to comply with the law is deeply concerned about the provision of information which could have a negative impact on its investigation or litigation of any matter.

Follow up:

I insist.

Answer:

-- Mr. Chairman, the RTC will respond as to its position on this request expeditiously after consultation with the Special Counsel and the Justice Department.

-- May I reiterate the RTC's concerns about possible negative affects on our investigation. I would also request on behalf of the RTC that appropriate safeguards be implemented after consultation with the staff of the Committee to protect the confidentiality of information and to preserve the privileged nature of any information which might be disclosed.

Background:

-- The RTC's policy with respect to this type of matter is a non-partisan one. The RTC has treated Democrats similarly to Republicans. The RTC has previously provided privileged information to Congressional Committees with safeguards such as a promise of confidentiality or under threat of subpoena which protects the agency from a claim that its privileges have been waived by disclosure to Congress. For example, the RTC has disclosed:

-- Information regarding Southwest Savings litigation requested by a majority member of the Senate Banking Committee. The information was disclosed only after the RTC received a (written) promise of confidentiality from the (Committee);

-- Information regarding Homefed requested by the majority of the House Banking Committee. The Chairman of the Committee, in writing threatened to issue a subpoena for the requested material;

-- Information protected by the Privacy Act requested by a majority member of the House Subcommittee on Civil Service (Rep. Schroeder) was denied originally and released only after a promise of confidentiality by the Chairman of the Subcommittee.

-- In the absence of such safeguards, the RTC would have to consider all its options in order to avoid jeopardizing its statutory obligations.

WHITEWATER/MADISON: CONGRESSIONAL REQUESTS FOR INFORMATION

Question:

Why has the RTC taken the position that an individual member of Congress only has the standing of an average citizen when making requests of the agency for information? Isn't it true that there is a certain amount of flexibility in interpreting the law regarding this question? Mr. Altman, were you involved in this decision? Were any other Treasury officials involved in this decision?

Answer:

-- The request of individual members of Congress for information is not a new issue. This issue has been raised on numerous occasions involving many executive agencies. The RTC is not charting new waters here.

-- The RTC has taken the position that requests for information from individual members of Congress, as contrasted with requests from Congressional Committees, have the same standing as FOIA requests and are subject to the same exceptions. There is no credible legal theory or authority to the effect that the law is otherwise.

-- Providing privileged information to an individual member of Congress would likely waive all applicable privileges and could also result in other violations of FOIA.

-- Our position is consistent with that of other agencies and of the Department of Justice.

-- We are most concerned that we not take steps which would impair the RTC's and the Special Counsel's ability to carry out their responsibilities or violate relevant law.

-- At the same time, the RTC has provided individual members of Congress with significant amounts of documentation and information within the limitations which I have described and it will continue to cooperate to the fullest extent possible.

-- The decisions made with respect to information which may appropriately be disclosed have been made by the staff of the RTC alone in accordance with normal agency procedures.

VI. CRIMINAL REFERRALS

WHITEWATER/MADISON: CRIMINAL REFERRALS

Question:

How many criminal referrals were made by the RTC relating to Madison? When were they made? Could you provide a copy of these referrals to the committee?

Answer:

-- It is the policy of the RTC not to discuss criminal referrals on an institution specific basis;

-- All questions concerning criminal investigations should be directed to the Justice Department, and in the case of Madison Guaranty to Special Counsel Robert Fiske.

-- The bank regulators and the RTC strongly encourages the early detection of suspected criminal activity. Therefore in order to provide for the free flow of information and the encouragement of such reports the contents of investigative reports must be protected against disclosure.

-- In recognition of their sensitive status, completed Criminal Referral forms are protected from disclosure under the Freedom of Information Act, and the litigation discovery process and are subjected to the provisions of the Privacy Act.

WHITEWATER/MADISON:

Question:

What were the internal RTC processes which led to the decision in October to refer this to the Justice Department?

Answer:

It is standard RTC practice to review institutions for criminal activity sometimes even after the statute of limitations on civil claims has expired and to make criminal referrals where warranted. Those reviews are conducted in RTC field offices and referrals are made directly from the field offices to the appropriate U.S. Attorney's office.

It is the policy of RTC Investigations to make criminal referrals where there is a reasonable basis to believe that a crime has been attempted or committed.

WHITEWATER/MADISON:

Question:

Who was involved in that decision?

Answer:

Referrals are made by the Criminal Coordinator working for RTC's Investigations unit in the field office. The referral would have been made directly to the appropriate U.S. Attorney's office without prior review in Washington.

VII. MADISON HISTORY

16281

WHITEWATER/MADISON:

Question:

When did the RTC first turn its attention to Madison?

Answer:

The RTC became responsible for resolving Madison's affairs on August 9, 1989.

WHITEWATER/MADISON:

Question:

Who in the RTC was involved at the beginning?

Answer:

From February 1989 to August 1989, scores of FDIC staff and supervisors were involved in disposing of assets, evaluating claims of creditors, and investigating and pursuing professional liability claims. Through a process which began in August of 1989, RTC personnel gradually took over these responsibilities. Throughout most of 1990, the FDIC maintained one Legal Division to represent both the RTC and FDIC. The RTC Professional Liability Section ("PLS") (responsible for investigating and pursuing claims against former directors, officers, accountants, attorneys, appraisers, and brokers of failed financial institutions, as well as against insurance companies who provide coverage to such individuals and firms) remained a branch of the FDIC PLS until January 1991.

WHITEWATER/MADISON:

Question:

When did the Madison matter first come to the attention of the RTC's Washington office?

Answer:

Neither the FDIC nor RTC PLS employed staff in field offices until the Spring of 1991. Consequently, professional liability attorneys responsible for Madison have always been located in Washington. On the other hand, in-house investigators have been located in various field offices over the years. Personnel responsible for other functions of the conservatorship and receivership have been located in various field offices. All field offices work under the supervision of headquarters in Washington. Different "Madison matters" have come to the attention of the RTC's Washington office at different times.

WHITEWATER/MADISON:

Question:

Why was the statute of limitations in this matter originally permitted to lapse?

Answer:

The original statute of limitations for director and officer and other professional liability claims was not "permitted to lapse". No statutes of limitations for PLS matters in thrifts under RTC control were permitted to expire without either filing appropriate civil actions, settling claims prior to filing or reaching a decision to close investigations because the dual criteria of viable and cost-effective claims could not be met. The decision not to pursue claims against former officers, directors, attorneys and appraisers for Madison was based on these factors. Madison filed suit against Frost and Co., its accountants, in 1988, and the government continued to pursue these claims. In 1991, the RTC settled with Frost.

WHITEWATER/MADISON:

Question:

Who made the decision to permit that?

Answer:

The investigations into all Madison professional liability matters, other than the audit failure case against Frost & Co., were closed by officials in the FDIC Legal Division responsible for RTC matters and by officials in the RTC Office of Investigations.

The settlement of the audit failure case was approved by officials in the FDIC Legal Division responsible for RTC matters and by business side officials of the RTC.

VIII. MADISON INVESTIGATION

WHITEWATER/MADISON: CIVIL ACTIONS

Question:

Why has it been almost five years since Madison failed and no civil action has been taken while many criminal referrals have been made?

Answer:

-- While an in-depth response concerning the actions taken by the RTC in connection with Madison must await a later date, let me provide you with a review of significant events:

-- The original statute of limitations for Madison civil claims expired in early 1992;

-- Before that date, the FDIC and subsequently the RTC pursued a civil claim against Madison's former auditors this case was originally filed by Madison (the institution) prior to its failure and was successfully settled. Certain other litigation was also pursued.

-- Despite the fact the statute of limitations for civil claims had expired in early 1992, the RTC has continued to assess Madison, as well as other institutions, as to whether criminal referrals should be made since the statute of limitations period for criminal charges is longer.

-- With the enactment of the RTC Completion Act in December 1993, the statute of limitations was renewed with respect to a limited class of civil actions.

-- The statute of limitations with respect to those civil actions extended in December 1993 was again extended as part of the recently enacted California Earthquake Relief Act. The statute of limitations expires on December 31, 1995.

-- The review of whether any civil claims relating to Madison as well as other institutions are sound and cost effective is underway.

WHITEWATER/MADISON:

Question:

Had Congress not just extended these limitations, what would the RTC have done on Madison before the Feb. 28 deadline?

Answer:

RTC has assigned a team of senior, experienced PLS attorneys in its Washington, D.C. office to work on the Madison matter. These attorneys, working under the close supervision of Legal Division managers, are conducting the investigation with the assistance of outside counsel, and a team of RTC investigators based in Kansas City and Washington. Although it would not have been easy to complete this investigation in the time originally alloted in the RTC Completion Act, RTC was prepared to take the necessary steps to do the best job possible.

WHITEWATER/MADISON:

Question:

What is the RTC doing at this very moment to reach a decision on a civil claim?

Answer:

Beginning in January 1994, the RTC commenced a new investigation of the claims revived by the Completion Act. It assembled a team of experienced in-house attorneys supervised by a Senior Counsel and Legal Division managers. Further, we hired outside counsel to represent us. We expect to make decisions about pursuing revived claims during 1994.

WHITEWATER/MADISON:

Question:

Who at the RTC is doing that work?

Answer:

Beginning in January 1994, the RTC commenced a new investigation of the claims revived by the Completion Act. It assembled a team of in-house attorneys supervised by a Senior Counsel and Legal Divsion managers. Further, we hired outside counsel to represent us. We expected to make decisions about pursuing revived claims during 1994.

WHITEWATER/MADISON:

Question:

When will a decision be reached?

Answer:

I have been advised that the staff anticipates that decisions on pursuing specific claims should be made in 1994.

WHITEWATER/MADISON:

Question:

What is being done to safeguard the RTC documents on this **case?**

Answer:

I don't have any specific information about this.

WHITEWATER\MADISON:

Question:

In light of the problems with RTC PLS, why do you think that it can adequately investigate the Madison claims?

Answer:

As I said in my testimony, we have made great progress in addressing the problems which have been identified with RTC PLS. First of all, we have greatly strengthened our management team with the recent appointment of Ellen Kulka, a very knowledgeable attorney in PLS matters, as the General Counsel of the agency. Many of the problems with PLS had to do with inadequate numbers of experienced staff, and I have taken steps to address these problems. RTC PLS now has the largest number of attorneys in its history, and I recently approved the creation of 4 new managerial positions to improve oversight of cases and investigations. The naming of an Assistant General Counsel for professional liability, pursuant to the RTC Completion Act, with responsibility for supervising both legal staff and investigative personnel in this area, will also improve coordination between these units. In fact, the oversight of the Madison investigation, involving a team of experienced PLS attorneys and investigators, working closely with outside counsel, is an example of these improvements.

IX. EXTENSION OF STATUTE OF LIMITATIONS

WHITEWATER/MADISON:

Question:

Did Madison Guaranty matters enter into that decision?

Answer:

No.

STATUTE OF LIMITATIONS EXTENDER

Question:

What is the RTC doing to ensure that claims for which the statute of limitations has been extended are being investigated?

Answer:

As a result of the extension of the statute of limitations for some types of RTC civil claims by the RTC Completion Act, as amended by the California Earthquake Relief Act, to December 31, 1995, the agency is able to take a further look at certain claims. For institutions where the original 3 year FIRREA limitations period had expired by December 17, 1993, only those claims involving fraud or intentional misconduct were affected by the extension. For institutions where the original three year period had not expired, the extension also applied to claims involving gross negligence or conduct evidencing a greater disregard of duty.

The due diligence procedures on those institutions in which claims were revived will be overseen by PLS and Investigations supervisors who will work with staff and identify those institutions which are the best candidates for more extensive review. Planning is also underway to establish joint coordinating teams from PLS and Investigations.

X. PRIOR REGULATORY HISTORY

WHITEWATER/MADISON:

Question:

When did Madison Guaranty collapse?

Answer:

Madison Guaranty Savings was declared insolvent and placed in conservatorship on February 28, 1989. The Federal Home Loan Bank appointed the Federal Savings and Loan Insurance Corporation ("FSLIC") to serve as Madison's conservator. By agreement between the FSLIC and the Federal Deposit Insurance Corporation ("FDIC"), the FDIC immediately became the Managing Agent for the Madison conservatorship. The FDIC managed the conservatorship until ("FIRREA") was signed into law on August 9, 1989. The FDIC remained the managing agent for the RTC until the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 became effective in December of 1991.

WHITEWATER/MADISON:

Question:

Who made the decision to put Madison into conservatorship?

Answer:

The Federal Home Loan Bank Board.

WHITEWATER/MADISON:

Question:

Tell us about the federal oversight of Madison before the collapse.

Answer:

Madison was regulated by the Federal Home Loan Bank Board, the predecessor agency to the Office of Thrift Supervision. Any questions about regulation of Madison before its collapse should be addressed to OTS.

WHITEWATER/MADISON:

Question:

Why was McDougal permitted to loot the institution the way he did?

Answer:

I have no specific information about the operation of Madison in the 1980's.

WHITEWATER/MADISON:

Question:

Wasn't that a dereliction of oversight? Who was responsible?

Answer:

The RTC does not and did not regulate financial institutions and therefore I am not in a position to respond.

(1

/

Question: **Why are You Declining to Recuse Yourself?**

Answer:

First, your obvious point is that I should not play any role in the RTC's eventual decision to pursue a civil claim, or not pursue one, in the Madison Guaranty matter. Well, I will not be doing so.

My appointment as interim CEO under the Vacancy Act expires on March 30, 1994. I will have no role with the RTC beyond that date. The RTC General Counsel has advised me that any recommendations she makes on Madison Guaranty will not be formulated before that time. I will, therefore, have no role in the RTC's decisions on the matter.

2

Question: 48 You Still Should Recuse Yourself. Why Don't You?

Answer:

As I said, the point is moot. I'll have no role in any RTC decisions on pursuing a civil claim in the Madison matter.

Also, I consulted both with the relevant RTC ethics officer and with the relevant Treasury ethics officer.

Both ethics officers advised me that there was no requirement for a recusal in this matter. The specific statutes and regulations involved do not define this as a case requiring recusal.

Both ethics officers also advised me that any decisions on recusal normally would be made when a matter is ready for decision. The Madison matter, as I've said, is not ready.

But, most of all Senator, the circumstances are such that I'll not be playing any role.

3

49

Doesn't Your Relationship with the President and Mrs. Clinton Require a Recusal. Isn't there the Appearance of a Conflict of Interest?

First, as I said, I'll not be playing any role in this matter. There won't be, therefore, any appearances of a conflict.

Second. I'm playing no role whatsoever right now in the RTC's investigation of this case. I've seen no documents. I've had no conversations at all on where the investigation stands. I have no idea what recommendations the General Counsel will reach. They will be completed after I've left.

Third, I might point out that the RTC referred this matter to the Justice Department for possible criminal review last October. I was also interim CEO at that time.

I was advised at that time that such a review was being conducted and that a decision on referral to Justice would be made. As certain Treasury and RTC officers will attest, I took the position that normal procedures should be followed. If such a decision on referral was typically made at the regional office level, my view was that it should be made that way in this matter.

4

50

What Conversations Have You Had with the White House on this Matter?

I've had on substantive conversation. Approximately three weeks ago, Jean Hanson (Treasury General Counsel) and I requested a meeting with Mr. Nussbaum, White House Counsel.

The purpose of the meeting was to describe the procedural reasons for the then impending February 28 deadline: the Completion Act, the statute of limitations was retroactively reinstated for certain types of civil claims (those relating to fraud and certain claims relating to intentional misconduct); as it related to Madison Guaranty, it would expire the end of February. Finally, if the RTC were to determine that any such claims existed, the RTC would have to determine whether to seek a tolling agreement or commence litigation.

We made clear that we had no idea at all what decision would be reached. I did say, however, that if I received a clear recommendation from the RTC's chief legal officer, I would follow it. I also said that I was reserving judgment on a recusal.

We were only asked one question. Did the RTC intend to provide the same briefing on the RTC's processes to attorneys for the parties in interest. I said that I assumed so but would check with the RTC General Counsel.

Jean Hanson did check and was told "in due course." "I said fine".

51 Why did you brief the White House on those processes?

Solely to ensure that they understood the legal, procedural framework within which the RTC was working. (If you recall, at that time the February 23 date was the subject of major attention in the Congress and the press.) It is not uncommon for meetings of this type to take place. The meeting could have taken place between the lawyers; this was simply a legal briefing with a larger audience.

Who else attended that meeting?

Mr. Ickes, Ms. Williams and one of Mr. Nussbaum's assistants.

Were there any other conversations at all?

The only other discussion -- which lasted about five minutes -- occurred later when I indicated that I was not inclined towards a recusal.

Has the White House attempted to influence your decision on these matters?

No. It is understood that the RTC must complete the task that it has been given and, of course, the White House respects the independence of the RTC.

Have you attempted to influence the RTC's review of the Madison Guaranty matter or the outcome of its decision?

No.

Why did the Treasury General Counsel accompany you and not the RTC General Counsel?

We discussed only the broad procedural framework fl the statute of limitations issue and the presence of the RTC General Counsel was not necessary. No specifics were, or were intended to be, discussed.

52

6

Are you a close friend of the Clintons?

I know them well, yes. Am I one of their very closest circle? No.

Do you consider yourself a FOB?

Yes, as I understand that term to be used.

Do you think your relationship with the President should disqualify you from playing any role in Madison?

As I said, I won't be playing any role and the question is moot, if I were to be playing a role my answer would be no. When the issue of referring this to Justice arose, my position was that all the normal procedures should be followed. In that case, such decisions are often made by regional offices and my view was that nothing should be different.

That would be my stance on Madison. If I received a truly clear recommendation on it from the chief legal officer, I'd almost certainly follow it.

I've never played favorites on sensitive matters, let alone one of this sensitivity, and I wouldn't do so here.

II Treasury [redacted]

16310

WHITEWATER/MADISON:

Question:

Have you issued any instructions to RTC staff on this investigation? What were they?

Answer:

Other than to advise the Deputy CEO and the General Counsel of the RTC that I expected that all standard procedures would apply to the RTC's handling of this matter, I have issued no instructions.

WHITEWATER/MADISON: TREASURY INVOLVEMENT

Question:

Have any other officials of the Treasury Department been involved in any substantive discussions relating to the RTC's handling of Madison or related matters?

Answer:

-- I and a very limited number of my Treasury staff have been briefed generally by RTC staff on a variety of issues related to the RTC's review of the Madison matter. Topics include:

-- RTC procedures related to document requests including the types of information that are releasable in the ordinary course to members of the public, members of the Congress acting in their individual capacity and as a Committee of the Congress;

-- a general discussion of the causes of action that might be available to the RTC that fall within the extension of the statute of limitations contained in the RTC Completion Act;

-- the normal criteria applied by the RTC in seeking an Authority to Sue, tolling agreements with potential defendants, etc.; and,

-- the applicable statute of limitations and a chronology of the Madison matter beginning in 1989 with the seizure of the institution by the FDIC, the expiration of the FIRREA statute of limitations in 1992 and the revival of certain types of actions under the Completion Act and the further extension via the California Earthquake Relief Act;

-- During my service as the Interim CEO of the RTC I have had members of my Treasury staff sit in on a variety of briefings and discussions related to RTC matters. For instance, since I was appointed Interim CEO of the RTC I and members of my Treasury staff have had a standing Tuesday luncheon involving senior members of RTC including the Deputy CEO, the General Counsel and the Senior Vice President for Minority and Women's Business. Topics discussed during the course of these regular meetings include the implementation of the recently approved Completion Act.

-- No discussions of the actual decisions to be made by the RTC as to whether any claims exist and should be pursued against specific persons in connection with Madison have been held by me or other Treasury staff.

WHITEWATER/MADISON:

Question:

What discussion with RTC staff have you personally had on Madison?

Answer:

See Response to "Treasury Involvement" [Now at p. 2]

WHITEWATER/MADISON:

Question:

Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC.

Answer:

The Treasury General Counsel to my knowledge has not been active in the Madison matter. The RTC's General Counsel has been directing its efforts and has counseled me about the procedures being followed in the investigation.

WHITEWATER/MADISON:

Question:

What discussions on it have you had with Secretary Bentsen?

Answer:

I have had no substantive discussions of Madison with Secretary Bentsen. I did inform him generally of the process the RTC was undertaking concerning Madison as a result of the expansion of the statute of limitations in the Completion Act.

WHITEWATER/MADISON:

Question:

What has he said to you about the Madison investigation?

Answer:

Nothing.

III. Contacts with DOJ / Fiske

16317

WHITEWATER/MADISON: JUSTICE DEPARTMENT

Question:

Has the Justice Department told the RTC what it can and cannot tell the Congress in matters relating to Madison Guaranty?

Answer:

-- Consistent with established practice, RTC staff has had discussions with the Justice Department prior to the appointment of the Special Counsel as to the release of information which may hamper or affect the investigation of matters in which the RTC has information or an interest.

-- RTC staff's discussions with the Justice Department and Special Counsel Fiske have involved issues such as coordination of the respective agency's investigations so as to not unduly delay or prejudice the possible prosecution of various claims or actions.

-- [Insert here any possible talking point related to the Klinger letter and response from the Treasury -- talk with Dennis Foreman first thing Tuesday!!]

WHITEWATER/MADISON: INDEPENDENT COUNSEL

Question:

Secretary Altman, has the RTC been in contact with the Special Counsel Robert Fiske? Have you participated in these conversations?

Answer:

-- I understand that there have been several telephone conversations with Mr. Fiske and his staff and Deputy CEO Jack Ryan as well as members of the RTC legal staff regarding various procedural matters.

-- I have not participated in any of those discussions.

WHITEWATER/MADISON:

Question:

Tell us about the documents which the RTC provided to Mr. Fiske.

Answer:

The RTC is cooperating fully with the Independent Counsel. Any discussion of information on documents received by him should be addresed to him.

WHITEWATER/MADISON:

Question:

What is the RTC doing to get those documents back?

Answer:

The RTC maintains copies of any documents in its possession which it has provided to the Independent Counsel.

WHITEWATER/MADISON:

Question:

How could the RTC make its decisic
documents?

Answer:

The RTC is going to investigate
documents which are relevant. Obv
litigation decisions on the best
That is not always possible and
unable to obtain material informatic
investigation any any subsequent lit

IV Rose Law Firm

16323

WHITEWATER/MADISON:

Question:

Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater?

Answer:

I only know what I read in the newspapers.

DCOS

~~[illegible]~~ report.

V. Information to Congress

16325

2C

Follow up:

As a Committee member (Minority Member) and as participant in this hearing, I am formally requesting that you supply the material previously requested (by Rep. Leach/Sen. D'Amato).

Answer:

-- The RTC is in something of an awkward position and would request that clarification be provided the RTC by the Committee Chair as to whether a request during the hearing from an individual member constitutes a formal request by the Committee as part of this hearing.

7

Follow up:

As the Chairman of this Committee (Chairman Riegle/Chairman Gonzalez), I am requesting that you provide the information requested to the majority and minority staffs of this Committee.

Answer:

-- The Justice Department and the Special Counsel, Mr. Fiske, has requested that with respect to Madison, the RTC make no information available about criminal referrals without its consent. The RTC, in addition to its obligations to comply with the law is deeply concerned about the provision of information which could have a negative impact on its investigation or litigation of any matter.

Follow up:

I insist.

Answer:

-- Mr. Chairman, the RTC will respond as to its position on this request expeditiously after consultation with the Special Counsel and the Justice Department.

-- May I reiterate the RTC's concerns about possible negative affects on our investigation. I would also request on behalf of the RTC that appropriate safeguards be implemented after consultation with the staff of the Committee to protect the confidentiality of information and to preserve the privileged nature of any information which might be disclosed.

8c

Background:

-- The RTC's policy with respect to this type of matter is a non-partisan one. The RTC has treated Democrats similarly to Republicans. The RTC has previously provided privileged information to Congressional Committees with safeguards such as a promise of confidentiality or under threat of subpoena which protects the agency from a claim that its privileges have been waived by disclosure to Congress. For example, the RTC has disclosed:

> -- Information regarding Southwest Savings litigation requested by a majority member of the Senate Banking Committee. The information was disclosed only after the RTC received a (written) promise of confidentiality from the (Committee);
>
> -- Information regarding Homefed requested by the majority of the House Banking Committee. The Chairman of the Committee, in writing threatened to issue a subpoena for the requested material;
>
> -- Information protected by the Privacy Act requested by a majority member of the House Subcommittee on Civil Service (Rep. Schroeder) was denied originally and released only after a promise of confidentiality by the Chairman of the Subcommittee.
>
> -- In the absence of such safeguards, the RTC would have to consider all its options in order to avoid jeopardizing its statutory obligations.

WHITEWATER/MADISON: CONGRESSIONAL REQUESTS FOR INFORMATION

Question:

Why has the RTC taken the position that an individual member of Congress only has the standing of an average citizen when making requests of the agency for information? Isn't it true that there is a certain amount of flexibility in interpreting the law regarding this question? Mr. Altman, were you involved in this decision? Were any other Treasury officials involved in this decision?

Answer:

-- The request of individual members of Congress for information is not a new issue. This issue has been raised on numerous occasions involving many executive agencies. The RTC is not charting new waters here.

-- The RTC has taken the position that requests for information from individual members of Congress, as contrasted with requests from Congressional Committees, have the same standing as FOIA requests and are subject to the same exceptions. There is no credible legal theory or authority to the effect that the law is otherwise.

-- Providing privileged information to an individual member of Congress would likely waive all applicable privileges and could also result in other violations of FOIA.

-- Our position is consistent with that of other agencies and of the Department of Justice.

-- We are most concerned that we not take steps which would impair the RTC's and the Special Counsel's ability to carry out their responsibilities or violate relevant law.

-- At the same time, the RTC has provided individual members of Congress with significant amounts of documentation and information within the limitations which I have described and it will continue to cooperate to the fullest extent possible.

-- The decisions made with respect to information which may appropriately be disclosed have been made by the staff of the RTC alone in accordance with normal agency procedures.

VI Criminal Referra

16329

WHITEWATER/MADISON:

Question:

Who was involved in that decision?

Answer:

Referrals are made by the Criminal Coordinator working for RTC's Investigations unit in the field office. The referral would have been made directly to the appropriate U.S. Attorney's office without prior review in Washington.

VII. Madison History

16331

WHITEWATER/MADISON:

Question:

When did the RTC first turn its attention to Madison?

Answer:

The RTC became responsible for resolving Madison's affairs on August 9, 1989.

WHITEWATER/MADISON:

__Question:__

Who in the RTC was involved at the beginning?

__Answer:__

From February 1989 to August 1989, scores of FDIC staff and supervisors were involved in disposing of assets, evaluating claims of creditors, and investigating and pursuing professional liability claims. Through a process which began in August of 1989, RTC personnel gradually took over these responsibilities. Throughout most of 1990, the FDIC maintained one Legal Division to represent both the RTC and FDIC. The RTC Professional Liability Section ("PLS") (responsible for investigating and pursuing claims against former directors, officers, accountants, attorneys, appraisers, and brokers of failed financial institutions, as well as against insurance companies who provide coverage to such individuals and firms) remained a branch of the FDIC PLS until January 1991.

WHITEWATER/MADISON:

Question:

When did the Madison matter first come to the attention of the RTC's Washington office?

Answer:

Neither the FDIC nor RTC PLS employed staff in field offices until the Spring of 1991. Consequently, professional liability attorneys responsible for Madison have always been located in Washington. On the other hand, in-house investigators have been located in various field offices over the years. Personnel responsible for other functions of the conservatorship and receivership have been located in various field offices. All field offices work under the supervision of headquarters in Washington. Different "Madison matters" have come to the attention of the RTC's Washington office at different times.

WHITEWATER/MADISON:

Question:

Why was the statute of limitations in this matter originally permitted to lapse?

Answer:

The original statute of limitations for director and officer and other professional liability claims was not "permitted to lapse". No statutes of limitations for PLS matters in thrifts under RTC control were permitted to expire without either filing appropriate civil actions, settling claims prior to filing or reaching a decision to close investigations because the dual criteria of viable and cost-effective claims could not be met. The decision not to pursue claims against former officers, directors, attorneys and appraisers for Madison was based on these factors. Madison filed suit against Frost and Co., its accountants, in 1988, and the government continued to pursue these claims. In 1991, the RTC settled with Frost.

30

WHITEWATER/MADISON:

Question:

Who made the decision to permit that?

Answer:

The investigations into all Madison professional liability matters, other than the audit failure case against Frost & Co., were closed by officials in the FDIC Legal Division responsible for RTC matters and by officials in the RTC Office of Investigations.

The settlement of the audit failure case was approved by officials in the FDIC Legal Division responsible for RTC matters and by business side officials of the RTC.

16336

VIII. Madison Investigation

16337

31

WHITEWATER/MADISON: CIVIL ACTIONS

Question:

Why has it been almost five years since Madison failed and no civil action has been taken while many criminal referrals have been made?

Answer:

-- While an in-depth response concerning the actions taken by the RTC in connection with Madison must await a later date, let me provide you with a review of significant events:

-- The original statute of limitations for Madison civil claims expired in early 1992;

-- Before that date, the FDIC and subsequently the RTC pursued a civil claim against Madison's former auditors this case was originally filed by Madison (the institution) prior to its failure and was successfully settled. Certain other litigation was also pursued.

-- Despite the fact the statute of limitations for civil claims had expired in early 1992, the RTC has continued to assess Madison, as well as other institutions, as to whether criminal referrals should be made since the statute of limitations period for criminal charges is longer.

-- With the enactment of the RTC Completion Act in December 1993, the statute of limitations was renewed with respect to a limited class of civil actions.

-- The statute of limitations with respect to those civil actions extended in December 1993 was again extended as part of the recently enacted California Earthquake Relief Act. The statute of limitations expires on December 31, 1995.

-- The review of whether any civil claims relating to Madison as well as other institutions are sound and cost effective is underway.

32
~~15~~

WHITEWATER/MADISON:

Question:

Has the RTC ever uncovered any ties between Madison and Whitewater, or Madison and the Clintons?

Answer:

Since these matters are under investigation, it would be inappropriate to comment on them at this time. Discussing specific information could materially impair both the civil and criminal investigations which are underway.

WHITEWATER/MADISON:

Question:

Had Congress not just extended these limitations, what would the RTC have done on Madison before the Feb. 28 deadline?

Answer:

RTC has assigned a team of senior, experienced PLS attorneys in its Washington, D.C. office to work on the Madison matter. These attorneys, working under the close supervision of Legal Division managers, are conducting the investigation with the assistance of outside counsel, and a team of RTC investigators based in Kansas City and Washington. Although it would not have been easy to complete this investigation in the time originally alloted in the RTC Completion Act, RTC was prepared to take the necessary steps to do the best job possible.

-7

WHITEWATER/MADISON:

Question:

What is the RTC doing at this very moment to reach a decision on a civil claim?

Answer:

Beginning in January 1994, the RTC commenced a new investigation of the claims revived by the Completion Act. It assembled a team of experienced in-house attorneys supervised by a Senior Counsel and Legal Division managers. Further, we hired outside counsel to represent us. We expect to make decisions about pursuing revived claims during 1994.

^
any

35
~~29~~

WHITEWATER/MADISON:

Question:

Who at the RTC is doing that work?

Answer:

Beginning in January 1994, the RTC commenced a new investigation of the claims revived by the Completion Act. It assembled a team of in-house attorneys supervised by a Senior Counsel and Legal Division managers. Further, we hired outside counsel to represent us. We expected to make decisions about pursuing revived claims during 1994.

36

WHITEWATER/MADISON:

Question:

When will a decision be reached?

Answer:

I have been advised that the staff anticipates that decisions on pursuing specific claims should be made in 1994.

16343

37

34

WHITEWATER/MADISON:

Question:

What is being done to safeguard the RTC documents on this case?

Answer:

I don't have any specific information about this.

38

WHITEWATER/MADISON:

Question:

If the RTC were to file a claim in court against the Clintons, how would that work? What would the RTC seek, etc.?

Answer:

The RTC would follow its normal procedures if it decides to file a claim against anyone. I have instructed the RTC to handle this matter like it would any other.

WHITEWATER\MADISON:

Question:

In light of the problems with RTC PLS, why do you think that it can adequately investigate the Madison claims?

Answer:

As I said in my testimony, we have made great progress in addressing the problems which have been identified with RTC PLS. First of all, we have greatly strengthened our management team with the recent appointment of Ellen Kulka, a very knowledgeable attorney in PLS matters, as the General Counsel of the agency. Many of the problems with PLS had to do with inadequate numbers of experienced staff, and I have taken steps to address these problems. RTC PLS now has the largest number of attorneys in its history, and I recently approved the creation of 4 new managerial positions to improve oversight of cases and investigations. The naming of an Assistant General Counsel for professional liability, pursuant to the RTC Completion Act, with responsibility for supervising both legal staff and investigative personnel in this area, will also improve coordination between these units. In fact, the oversight of the Madison investigation, involving a team of experienced PLS attorneys and investigators, working closely with outside counsel, is an example of these improvements.

IX. Extension of Statute of Limitations

16347

40

WHITEWATER/MADISON:

Question:

Why did the Clinton Administration oppose a retroactive extension of the statue of limitations in the RTC Completion Act?

Answer:

-- The Treasury did not oppose the RTC Completion Act's extension of the statute of limitations.
-- The Administration's proposed legislation to fund the completion of the RTC in March 1993 did not contain a provision to extend the statute of limitations.
-- The GAO did a study of the RTC PLS program in response to charges that PLS cases were politicized and that there were instances of precipitous filings of PLS cases because of expiring statute of limitations. The GAO study found no evidence of PLS case politicization or instances of preemptive filings because of expiring statute of limitations.
-- Given the GAO study's conclusion, the need for an extension of the statute of limitations was questionable.
-- During Congressional consideration of provisions to be included in this legislation, Treasury was asked for its views on an extension of the statute of limitations. While we did not support the provision, we did not express any opposition.

41

WHITEWATER/MADISON:

Question:

Did Madison Guaranty matters enter into that decision?

Answer:

No.

42

STATUTE OF LIMITATIONS EXTENDER

Question:

What is the RTC doing to ensure that claims for which the statute of limitations has been extended are being investigated?

Answer:

As a result of the extension of the statute of limitations for some types of RTC civil claims by the RTC Completion Act, as amended by the California Earthquake Relief Act, to December 31, 1995, the agency is able to take a further look at certain claims. For institutions where the original 3 year FIRREA limitations period had expired by December 17, 1993, only those claims involving fraud or intentional misconduct were affected by the extension. For institutions where the original three year period had not expired, the extension also applied to claims involving gross negligence or conduct evidencing a greater disregard of duty.

The due diligence procedures on those institutions in which claims were revived will be overseen by PLS and Investigations supervisors who will work with staff and identify those institutions which are the best candidates for more extensive review. Planning is also underway to establish joint coordinating teams from PLS and Investigations.

X. Prior Regulatory History

43

11

WHITEWATER/MADISON:

Question:

When did Madison Guaranty collapse?

Answer:

Madison Guaranty Savings was declared insolvent and placed in conservatorship on February 28, 1989. The Federal Home Loan Bank appointed the Federal Savings and Loan Insurance Corporation ("FSLIC") to serve as Madison's conservator. By agreement between the FSLIC and the Federal Deposit Insurance Corporation ("FDIC"), the FDIC immediately became the Managing Agent for the Madison conservatorship. The FDIC managed the conservatorship until ("FIRREA") was signed into law on August 9, 1989. The FDIC remained the managing agent for the RTC until the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 became effective in December of 1991.

44

WHITEWATER/MADISON:

Question:

Who made the decision to put Madison into conservatorship?

Answer:

The Federal Home Loan Bank Board.

45
~~12~~

WHITEWATER/MADISON:

Question:

Tell us about the federal oversight of Madison before the collapse.

Answer:

Madison was regulated by the Federal Home Loan Bank Board, the predecessor agency to the Office of Thrift Supervision. Any questions about regulation of Madison before its collapse should be addressed to OTS.

WHITEWATER/MADISON:

Question:

Why was McDougal permitted to loot the institution the way he did?

Answer:

I have no specific information about the operation of Madison in the 1980's.

47

WHITEWATER/MADISON:

Question:

Wasn't that a dereliction of oversight? Who was responsible?

Answer:

The RTC does not and did not regulate financial institutions and therefore I am not in a position to respond.

XI. Speculation on Clintons

16357

WHITEWATER/MADISON:

Question:

Do you think that the President and/or Mrs. Clinton have broken any laws in this matter?

Answer:

In my role as Interim CEO of the RTC, it is inappropriate for me to speculate.

WHITEWATER/MADISON:

Question:

Have they acted in an ethical fashion?

Answer:

As the interim CEO of the RTC I just cannot comment on this.

50

WHITEWATER/MADISON:

Question:

Aren't there, at the very least, appearances of impropriety on their part?

Answer:

As Interim CEO of the RTC, it would be most inappropriate for me to comment.

WHITEWATER/MADISON:

Question:

What should be done if it is ultimately determined that law were broken?

Answer:

If the RTC's investigation determines that an individual ha committed civil fraud, or intentional wrongdoing whic resulted in substantial loss to the institution or unjus enrichment, then the RTC should do what is appropriate t recover from any such individual. As usual, any decision t seek a recovery must take into account the strength of th RTC's case and the cost effectiveness of any propose litigation.

52

WHITEWATER/MADISON:

Question:

Has anyone at the RTC spoken to the President's attorney in this matter? Who has had that conversation?

Answer:

I do not know.

XII. Oversight Board

53

WHITEWATER/MADISON:

Question:

Will the Oversight Board play any role at all in RTC decisions on Madison?

Answer:

No.

XIII. Cravath

16365

54

56

CRAVATH BILL

Question:

Why did the RTC pay such hugh fees, some as high as $600 an hour, to the law firm of Cravath, Swain & Moore?

Answer:

The legal services agreement with the Cravath firm was negotiated and executed on behalf of FDIC and RTC by officials of the FDIC Legal Division, prior to the separation of the RTC Legal Division. At the time work was performed for the benefit of the RTC in connection with this retention, the RTC was contractually bound by the terms negotiated with FDIC. Although the fees and expenses in connection with this representation, the investigation and prosecution of claims arising in numerous RTC and FDIC institutions against Drexel Burnham and Michael Milken, were quite high, the recoveries from the Milken settlement alone are over $400 million.

8a

QUESTIONS RELATED TO WHITEWATER/MADISON

Question:

Why is the RTC refusing to provide information about Madison and Whitewater to this Committee?

Answer:

-- At the present time the RTC has not received a request from this Committee and is cooperating to the fullest extent possible under the law with the investigations by individual members (Rep. Leach/Sen. D'Amato).

Question:

Haven't you refused to provide specific information to members of the Committee (Rep. Leach/Sen. D'Amato) and their staffs which they have advised you is extremely important to their carrying out of their duties?

Answer:

-- To date the RTC has not received a request from the Committee for any documents. Absent a request from the Committee, the RTC is limited in what it can provide to individual Members of Congress in the following areas:

-- Information regarding the personal and corporate financial records in its possession;

-- Information relating to criminal investigations;

-- Information which is privileged; and,

-- Material relating to possible civil litigation.

-- Release of these types of information to individual Members of Congress could jeopardize the governments's ability to bring and subsequently prosecute both civil and criminal matters. [In addition, the release of certain information could be a violation of the Privacy and Trade Secrets Act that in turn would lead to possible liability to the government official responsible for their release.][Check with Binkley]

① Dont advise
[illegible] counsel
that

WHITEWATER/MADISON: CRIMINAL REFERRALS

Question:

How many criminal referrals were made by the RTC relating to Madison? When were they made? Could you provide a copy of these referrals to the committee?

Answer:

-- It is the policy of the RTC not to discuss criminal referrals on an institution specific basis;

-- All questions concerning criminal investigations should be directed to the Justice Department, and in the case of Madison Guaranty to Special Counsel Robert Fiske.

-- The bank regulators and the RTC strongly encourages the early detection of suspected criminal activity. Therefore in order to provide for the free flow of information and the encouragement of such reports the contents of investigative reports must be protected against disclosure.

-- In recognition of their sensitive status, completed Criminal Referral forms are protected from disclosure under the Freedom of Information Act, and the litigation discovery process and are subjected to the provisions of the Privacy Act.

Press reports indicate that the President and Mrs. Clinton are referred to in criminal referral reports ~~[illegible]~~ referred by the RTC. Is that true?

~~Refer to answer~~ For all the reasons I mentioned, RTC policy ~~is~~ on any ~~[illegible]~~ criminal referrals is not to discuss the matter

WHITEWATER/MADISON:

Question:

What were the internal RTC processes which led to the decision in October to refer this to the Justice Department?

Answer:

It is standard RTC practice to review institutions for criminal activity sometimes even after the statute of limitations on civil claims has expired and to make criminal referrals where warranted. Those reviews are conducted in RTC field offices and referrals are made directly from the field offices to the appropriate U.S. Attorney's office.

It is the policy of RTC Investigations to make criminal referrals where there is a reasonable basis to believe that a crime has been attempted or committed.

Question

what ~~for~~ prompted the RTC to take another look at Madison ~~last year~~ in 1993?

Answer

I really don't know. As I stated ~~[illegible]~~ my instructions to staff in this matter and all matters was to follow established RTC policy.

02/15/94
4:25pm

DRAFT
INDEX: QUESTIONS AND ANSWERS

Whitewater/Madison

Why hasn't Secretary Altman recused himself from work relating to Madison? 1
Have other Treasury officials been involved in Madison discussions? 2
Has Secretary Altman had conversations with the White House regarding Madison? 3
Has Justice told RTC what it can/cannot tell Congress regarding Madison? 4
Has RTC investigated the Rose law firm for conflicts? 5
Has Secretary Altman recused himself from this matter? 5
Has RTC been contacted by Independent Counsel Robert Fiske? 6
Has Secretary Altman participated in these conversations? 6
Why is RTC's position of Congressmen making info requests that of an average citizen? 7
Could you provide all RTC investigation documents on Madison's civil or criminal matters? 8
How many criminal referrals were made by RTC relating to Madison? When were they made? .. 9
Why is it 5 years since Madison failed and no civil actions, yet many criminal referrals made? . 10
In the past, was Madison reviewed and decision made not to bring it to suit? If so, when? ... 11

16370

1

WHITEWATER/MADISON: RECUSAL

Question:

Secretary Altman, why have you failed to recuse yourself thus far from the RTC's work relating to Madison Guaranty? How many discussions have you had concerning Madison and related matters?

Answer:

16371

2

WHITEWATER/MADISON: TREASURY INVOLVEMENT

Question:

Have any other officials of the Treasury Department been involved in any substantive discussions relating to the RTC's handling of Madison or related matters?

Answer:

- It is my understanding that any other involvement by Treasury personnel has been solely with respect to the process being followed and has not dealt with substantive issues.

3

WHITEWATER/MADISON: CONVERSATIONS WITH WHITE HOUSE

Question:

Secretary Altman, have you or any other Treasury officials held any conversations with the White House concerning this matter?

Answer:

16373

WHITEWATER/MADISON: JUSTICE DEPARTMENT

Question:

Has the Justice Department told the RTC what it can and cannot tell the Congress in matters relating to Madison County?

Answer:

- Consistent with past practices, the RTC has discussed the release of information that the Justice Department believes may hamper or affect its investigation of matters in which the RTC has information or an interest.

16374

WHITEWATER/MADISON: ROSE LAW FIRM

Question:

Secretary Altman, has the RTC investigated the Rose law firm and whether or not it correctly represented possible conflicts when soliciting business with the RTC? Have you recused yourself from this matter?

Answer:

- **The FDIC, as exclusive agent for FSLIC, was the original of Madison and, as such, retained the Rose law firm. I understand that the FDIC has investigated the circumstances arising out of that relationship and has released a report. We have been apprised of the contents and conclusions contained in it and have no information which would lead us to a different conclusion.**

WHITEWATER/MADISON: INDEPENDENT COUNSEL

Question:

Secretary Altman, has the RTC been in contact with the Independent Counsel Robert Fiske? Have you participated in these conversations?

Answer:

- **I understand that there have been several telephone conversations with Mr. Fiske and his staff and members of RTC's Legal staff. I have participated in no such discussions.**

WHITEWATER/MADISON: CONGRESSIONAL REQUESTS FOR INFORMATION

Question:

Why has the RTC taken the position that an individual member of Congress only has the standing of an average citizen when making requests of the agency for information? Isn't it true that there is a certain amount of flexibility in interpreting the law regarding this question? Mr. Altman, were you involved in this decision? Were any other Treasury officials involved in this decision?

Answer:

- The RTC has taken the position that requests for information from individual Members of Congress have the same standing as FOIA requests and are subject to the same exceptions. There is no credible legal theory or authority to the effect that the law is otherwise.
- Providing privileged information to an individual Member of Congress would likely waive all applicable privileges and could also result in other violations of FOIA.
- Our position is consistent with that of other agencies and of the Department of Justice.
- We are most concerned that we take no steps which would impair our ability to carry out our responsibilities or violate relevant law.
- At the same time, we have provided individual Members of Congress with significant amounts of documentation and information within the limitations which I have described and we will continue to cooperate to the fullest extent possible.
- The decisions made with respect to information which may appropriately be shared have been made by the staff of the RTC in accordance with normal procedures.

8-a

QUESTIONS RELATING TO MADISON

Question:

Why is the RTC refusing to provide information about Madison and Whitewater to this Committee?

Answer:

At the present time the RTC is cooperating with the investigations by individual members (Rep. Leach/Sen. D'Amato) to the fullest extent possible under the law.

Question:

Haven't you refused to provide specific information to Members of the Committee (Rep. Leach/Sen. D'Amato) and their staffs which they have advised you is extremely important to their carrying out of their duties?

Answer:

Absent a request from the Committee, the RTC is limited with respect to for general areas:

(a) Information regarding the personal and corporate financial records in it possession;

(b) Information relating to criminal investigations;

(c) Information which is privileged; and

(d) Material relating to possible civil litigation.

8-b

Follow up:

As a Committee Member (Minority Member) and as a participant in this hearing, I am formally requesting that you supply the material previously requested (by Rep. Leach/Sen. D'Amato).

Answer:

In order to change this approach, the RTC needs clarification from the Chair as to whether a request during the hearing from an individual member constitutes a formal request by the Committee as part of this hearing on the Thrift Depositor Protection Oversight Board.

Follow up:

As the Chairman of this Committee (Chairman Riegle/Chairman Gonzalez), I am requesting that you provide the information requested to the majority and minority staffs of this Committee.

Response:

The RTC, in addition to its obligations to comply with law is deeply concerned about the providing of information which could have a negative impact on its investigation or litigation of any matter. Furthermore, the Justice Department has already requested that with respect to Madison, we make no information available about criminal referrals without its consent.

Follow up:

I insist.

Response:

Alternative A:

May I reiterate our concerns about possible negative affects on our investigation. However, since the Committee is making a formal request, I request on behalf of the RTC that appropriate safeguards be implemented after consultation with the staff of the Committee to protect the confidentiality of information and to preserve the privileged nature of any information disclosed. Furthermore, the RTC will consult with the

8-c

independent counsel to advise the Committee of its position on the impact on the independent counsel's investigation before providing any information.

Alternative 8:

Mr. Chairman, the RTC will respond as to its position on this request expeditiously after consultation with the independent counsel.

Background:

- **The RTC has previously provided privileged information to Congressional Committees with safeguards such as a promise of confidentiality or under a threat of subpoena which protects the agency from a claim that its privileges have been waived by disclosure to Congress. For example, the RTC has disclosed:**
    - **information regarding Southwest Savings litigation to Senate Banking under a promise of confidentiality;**
    - **information regarding Homefed to House Banking under threat of subpoena; and**
    - **certain authority to sue memoranda to the House Subcommittee on Civil Service under a promise of confidentiality by the Chairman of the Subcommittee, after the original request by Congresswoman Schroeder for such information was declined.**
- **In the absence of such safeguards the RTC would have to consider all its options to include executive privileges in order to avoid jeopardizing its statutory obligations.**

WHITEWATER/MADISON: CRIMINAL REFERRALS

Question:

How many criminal referrals were made by the RTC relating to Madison? When were they made? Could you provide a copy of these referrals to the committee?

Answer:

- **It is the policy of the RTC not to discuss criminal referrals.**
- **All questions concerning criminal investigations should be directed to the Justice Department, and in the case of Madison to the Independent Counsel Robert Fiske.**

WHITEWATER/MADISON: CIVIL ACTIONS

Question:

Why has it been almost five years since Madison failed and no civil action has been taken while many criminal referrals have been made?

Answer:

- **While an in-depth response concerning the actions taken by the RTC in connection with Madison must await a later date, let me provide you with a review of significant events:**
  - **The original statute of limitations for Madison civil claims expired on the three-year anniversary of the appointment of a receiver in early 1992.**
  - **Before that point, there was a civil claim pursued first by FDIC and then the RTC against Madison's former auditors; this case was originally filed by Madison prior to its failure and was successfully settled. Certain other litigation was also pursued.**
  - **Despite the fact the statute of limitations for civil claims had expired early in 1992, the RTC has continued to assess Madison, as well as other institutions as to whether criminal referrals should be made since the limitations period for criminal charges is longer.**
  - **It was only the middle of December 1993, with the enactment of the RTC Completion Act, that the statute of limitations was renewed with respect to a limited class of civil actions.**
  - **As part of the recently enacted California Earthquake relief bill, Congress extended the statute of limitations which would otherwise have expired institution by institution on dates from early in 1994 onward, to December 31, 1995.**

WHITEWATER/MADISON: CIVIL SUIT

Question:

Secretary Altman, last year you sent a letter to this committee indicating that the RTC had never missed a statute of limitations deadline, and that therefore an extension of the statutes was not necessary. Apparently no civil suits against directors, officers, or law firms involved with Madison were brought. Does this mean that the Madison situation was reviewed and that a decision was made at some point in the past that a suit would not be brought? When was this decision made?

Answer:

- **For all the reasons described above, it is not appropriate to discuss an individual case at this time.**

DRAFT 2/22/94

1

WHITEWATER/MADISON: RECUSAL

Question:

Secretary Altman, why have you failed to recuse yourself thus far from the RTC's work relating to Madison Guaranty? How many discussions have you had concerning Madison and related matters?

Answer:

WHITEWATER/MADISON: TREASURY INVOLVEMENT

Question:

Have any other officials of the Treasury Department been involved in any substantive discussions relating to the RTC's handling of Madison or related matters?

Answer:

-- I and a very limited number of my Treasury staff have been briefed generally by RTC staff on a variety of issues related to the RTC's review of the Madison matter. Topics include:

-- RTC procedures related to document requests including the types of information that are releasable in the ordinary course to members of the public, members of the Congress acting in their individual capacity and as a Committee of the Congress;

-- a general discussion of the causes of action that might be available to the RTC that fall within the extension of the statute of limitations contained in the RTC Completion Act;

-- the normal criteria applied by the RTC in seeking an Authority to Sue, tolling agreements with potential defendants, etc.; and,

-- the applicable statute of limitations and a chronology of the Madison matter beginning in 1989 with the seizure of the institution by the FDIC, the expiration of the FIRREA statute of limitations in 1992 and the revival of certain types of actions under the Completion Act and the further extension via the California Earthquake Relief Act;

-- During my service as the Interim CEO of the RTC I have had members of my Treasury staff sit in on a variety of briefings and discussions related to RTC matters. For instance, since I was appointed Interim CEO of the RTC I and members of my Treasury staff have had a standing Tuesday luncheon involving senior members of RTC including the Deputy CEO, the General Counsel and the Senior Vice President for Minority and Women's Business. Topics discussed during the course of these regular meetings include the implementation of the recently approved Completion Act.

-- No discussions of the actual decisions to be made by the RTC as to whether any claims exist and should be pursued against specific persons in connection with Madison have been held by me or other Treasury staff.

WHITEWATER/MADISON: CONVERSATIONS WITH THE WHITE HOUSE

Question:

Secretary Altman, have you or any other Treasury officials held any conversations with the White House concerning this matter?

Answer:

16386

WHITEWATER/MADISON: JUSTICE DEPARTMENT

Question:

Has the Justice Department told the RTC what it can and cannot tell the Congress in matters relating to Madison Guaranty?

Answer:

-- Consistent with established practice, RTC staff has had discussions with the Justice Department prior to the appointment of the Special Counsel as to the release of information which may hamper or affect the investigation of matters in which the RTC has information or an interest.

-- RTC staff's discussions with the Justice Department and Special Counsel Fiske have involved issues such as coordination of the respective agency's investigations so as to not unduly delay or prejudice the possible prosecution of various claims or actions.

WHITEWATER/MADISON: ROSE LAW FIRM

Question:

Secretary Altman, has the RTC investigated the Rose Law firm and whether or not it correctly represented possible conflicts when soliciting business with the RTC? Have you recused yourself from this matter?

Answer:

-- The FDIC, as exclusive agent for the FSLIC, was the original conservator of Madison and as such, retained the Rose law firm. As you know the FDIC has investigated the circumstances arising out of that relationship and has released the report. Perhaps Acting Chairman Hove might like to briefly expand upon the report.

-- RTC staff has read the report and has advised me that it has no information which would lead the RTC to a different conclusion.

WHITEWATER/MADISON: INDEPENDENT COUNSEL

Question:

Secretary Altman, has the RTC been in contact with the Special Counsel Robert Fiske? Have you participated in these conversations?

Answer:

-- I understand that there have been several telephone conversations with Mr. Fiske and his staff and Deputy CEO Jack Ryan as well as members of the RTC legal staff regarding various procedural matters.

-- I have not participated in any of those discussions.

WHITEWATER/MADISON: CONGRESSIONAL REQUESTS FOR INFORMATION

Question:

Why has the RTC taken the position that an individual member of Congress only has the standing of an average citizen when making requests of the agency for information? Isn't it true that there is a certain amount of flexibility in interpreting the law regarding this question? Mr. Altman, were you involved in this decision? Were any other Treasury officials involved in this decision?

Answer:

-- The request of individual members of Congress for information is not a new issue. This issue has been raised on numerous occasions involving many executive agencies. The RTC is not charting new waters here.

-- The RTC has taken the position that requests for information from individual members of Congress, as contrasted with requests from Congressional Committees, have the same standing as FOIA requests and are subject to the same exceptions. There is no credible legal theory or authority to the effect that the law is otherwise.

-- Providing privileged information to an individual member of Congress would likely waive all applicable privileges and could also result in other violations of FOIA.

-- Our position is consistent with that of other agencies and of the Department of Justice.

-- We are most concerned that we not take steps which would impair the RTC's and the Special Counsel's ability to carry out their responsibilities or violate relevant law.

-- At the same time, the RTC has provided individual members of Congress with significant amounts of documentation and information within the limitations which I have described and it will continue to cooperate to the fullest extent possible.

-- The decisions made with respect to information which may appropriately be disclosed have been made by the staff of the RTC alone in accordance with normal agency procedures.

8a

QUESTIONS RELATED TO WHITEWATER/MADISON

Question:

Why is the RTC refusing to provide information about Madison and Whitewater to this Committee?

Answer:

-- At the present time the RTC has not received a request from this Committee and is cooperating to the fullest extent possible under the law with the investigations by individual members (Rep. Leach/Sen. D'Amato).

Question:

Haven't you refused to provide specific information to members of the Committee (Rep. Leach/Sen. D'Amato) and their staffs which they have advised you is extremely important to their carrying out of their duties?

Answer:

-- To date the RTC has not received a request from the Committee for any documents. Absent a request from the Committee, the RTC is limited in what it can provide to individual Members of Congress in the following areas:

-- Information regarding the personal and corporate financial records in its possession;

-- Information relating to criminal investigations;

-- Information which is privileged; and,

-- Material relating to possible civil litigation.

-- Release of these types of information to individual Members of Congress could jeopardize the governments's ability to bring and subsequently prosecute both civil and criminal matters.

In addition, the release of certain information could be a violation of the Privacy and Trade Secrets Acts that in turn would lead to possible liability to the government official responsible for their release and to the government as well.

8b

Follow up:

As a Committee member (Minority Member) and as participant in this hearing, I am formally requesting that you supply the material previously requested (by Rep. Leach/Sen. D'Amato).

Answer:

-- The RTC is in something of an awkward position and would request that clarification be provided the RTC by the Committee Chair as to whether a request during the hearing from an individual member constitutes a formal request by the Committee as part of this hearing.

Follow up:

As the Chairman of this Committee (Chairman Riegle/Chairman Gonzalez), I am requesting that you provide the information requested to the majority and minority staffs of this Committee.

Answer:

-- The Justice Department and the Special Counsel, Mr. Fiske, has requested that with respect to Madison, the RTC make no information available about criminal referrals without its consent. The RTC, in addition to its obligations to comply with the law is deeply concerned about the provision of information which could have a negative impact on its investigation or litigation of any matter.

Follow up:

I insist.

Answer:

-- Mr. Chairman, the RTC will respond as to its position on this request expeditiously after consultation with the Special Counsel and the Justice Department.

-- May I reiterate the RTC's concerns about possible negative affects on our investigation. I would also request on behalf of the RTC that appropriate safeguards be implemented after consultation with the staff of the Committee to protect the confidentiality of information and to preserve the privileged nature of any information which might be disclosed.

8c

Background:

-- The RTC's policy with respect to this type of matter is a non-partisan one. The RTC has treated Democrats similarly to Republicans. The RTC has previously provided privileged information to Congressional Committees with safeguards such as a promise of confidentiality or under threat of subpoena which protects the agency from a claim that its privileges have been waived by disclosure to Congress. For example, the RTC has disclosed:

-- Information regarding Southwest Savings litigation requested by a majority member of the Senate Banking Committee. The information was disclosed only after the RTC received a [written] promise of confidentiality from the [Committee];

-- Information regarding Homefed requested by the majority of the House Banking Committee. The Chairman of the Committee, in writing threatened to issue a subpoena for the requested material;

-- Information protected by the Privacy Act requested by a majority member of the House Subcommittee on Civil Service (Rep. Schroeder) was denied originally and released only after a promise of confidentiality by the Chairman of the Subcommittee.

-- In the absence of such safeguards, the RTC would have to consider all its options in order to avoid jeopardizing its statutory obligations.

WHITEWATER/MADISON: CRIMINAL REFERRALS

Question:

How many criminal referrals were made by the RTC relating to Madison? When were they made? Could you provide a copy of these referrals to the committee?

Answer:

-- It is the policy of the RTC not to discuss criminal referrals on an institution specific basis;

-- All questions concerning criminal investigations should be directed to the Justice Department, and in the case of Madison Guaranty to Special Counsel Robert Fiske.

-- In recognition of their sensitive status, completed Criminal Referral forms are protected from disclosure under the Freedom of Information Act, and the litigation discovery process and are subjected to to the provisions of the Privacy Act.

-- The bank regulators and the RTC strongly encourages the early detection of suspected criminal activity. Therefore in order to provide for the free flow of ideas and the encouragement of such reports the contents of investigative reports must be protected against inappropriate disclosure.

-- If the bank regulators were to not adequately protect these referrals, the willingness of persons to report suspected activity within financial institutions would be severely diminished.

WHITEWATER/MADISON: CIVIL ACTIONS

Question:

Why has it been almost five years since Madison failed and no civil action has been taken while many criminal referrals have been made?

Answer:

Since the RTC's investigation into possible civil actions against professional liability targets continues, it would be inappropriate for me to provide any specific information about particular claims or investigations. I can comment in general, however, with respect to past activities and the overall approach we are taking.

First of all, it should be noted that prior to recent congressional action, extending the statute of limitations applicable to come categories of RTC civil actions, there was no on-going investigation into possible civil actions arising out of the Madison failure. There was continuing investigative work on-going with respect to possible criminal referrals regarding Madison, but the statute of limitations for criminal misconduct had not expired.

The original statute of limitations regarding Madison civil claims expired on the third year anniversary of the federal takeover of the thrift, February 28, 1992. In the RTC Completion Act as later modified by the California Earthquake Relief Bill, some limited categories of Madison related civil claims were revived and the limitation period was extended to December 31, 1995. It should be emphasized though that the only Madison claims affected by this legislation are those involving civil fraud or certain other types of intentional misconduct.

The original investigation into professional liability claims at Madison was conducted by the FDIC investigations Department under the supervision of the FDIC Legal Division since the FDIC was managing agent for the FSLIC as receiver/conservator. During this period, FDIC conducted the prosecution of an action against former auditors for Madison which had been filed by the institution prior to its failure. No other professional liability claims were filed on behalf of RTC. The active investigation into any such civil claims was concluded by the FDIC in later 1990, before the establishment of a separate RTC Legal Division. The RTC did not routinely revisit decisions made by FDIC such as the decision to close the Madison investigation.

In 1990 as now, the evaluation of potential civil claims against directors and officers and other professionals who performed services for a failed thrift involves a number of factors. An assessment of the strength of the claims is a key ingredient in this evaluation, but it is not the only important factor. Just as RTC must believe that it is likely to prevail in the litigation of these claims, it must also be able to establish that any judgments it obtains are collectable at least to an extent that justifies the expenses which will be incurred in the litigation. Another factor which might influence RTC's evaluation of potential professional liability claims is the presence of other civil actions, including bankruptcies, as well as other judgments against the targets.

It is too soon to say whether any new claims might be identified with regard to Madison. The additional period for investigation afforded in the Earthquake Relief Bill will permit time for a full and complete investigation of these claims. At the time that some Madison claims were "revived" by the RTC Completion Act, there were a large number of other investigations in the same posture as Madison, and we were taking steps to review all of these in an orderly fashion. This would not have been easy. In the first quarter of 1989 alone, some 185 thrifts, in addition to Madison, were placed under RTC control. The five-year period originally applicable to this entire group would have ended no later than 3-1/2 months after President Clinton signed the Act. That period has now been extended until the sunset of RTC. You may rest assured that the RTC will conduct a thorough investigation into potential Madison claims and all appropriate actions will be taken.

WHITEWATER/MADISON:

Question:

When did Madison Guaranty collapse?

Answer:

Madison Guaranty Savings was declared insolvent and placed in conservatorship on February 28, 1989. The Federal Home Loan Bank appointed the Federal Savings and Loan Insurance Corporation ("FSLIC") to serve as Madison's conservator. By agreement between the FSLIC and the Federal Deposit Insurance Corporation ("FDIC"), the FDIC immediately became the Managing Agent for the Madison conservatorship. The FDIC managed the conservatorship until the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 became effective in December of 1991. ("FIRREA") was signed into law on August 9, 1989.

WHITEWATER/MADISON:

Question:

Tell us about the federal oversight of Madison before the collapse.

Answer:

Madison was regulated by the Federal Home Loan Bank Board, the predecessor agency to the Office of Thrift Supervision. Any questions about regulations of Madison before its collapse should be addressed to OTS.

WHITEWATER/MADISON:

Question:

When did the RTC first turn its attention to Madison?

Answer:

The RTC became responsible for resolving all of Madison's affairs on August 9, 1989.

16399

WHITEWATER/MADISON:

Question:

Who in the RTC was involved at the beginning?

Answer:

From February 1989 to August 1989, scores of FDIC staff and supervisors were involved in disposing of assets, evaluating claims of creditors, and investigating and pursuing professional liability claims. Through a process which began in August of 1989, RTC personnel gradually took over these responsibilities. Throughout most of 1990, the FDIC maintained one Legal Division to represent both the RTC and FDIC. The RTC Professional Liability Section ("PLS") (responsible for investigating and pursuing claims against former directors, officers, accountants, attorneys, appraisers, and brokers of failed financial institutions, as well as against insurance companies who provide coverage to such individuals and firms) remained a branch of the FDIC PLS until January 1991.

WHITEWATER/MADISON:

Question:

Has the RTC ever uncovered any ties between Madison and Whitewater, or Madison and the Clintons?

Answer:

Since these matters are under investigation, it would be inappropriate to comment on them at this time. Discussing specific information could naturally impair both the ______ ________________.

WHITEWATER/MADISON:

Question:

When did the Madison matter first come to the attention of the RTC's Washington office?

Answer:

Neither the FDIC nor the RTC PLS employed staff in field offices until the Spring of 1991. Consequently, professional liability attorneys responsible for Madison have always been located in Washington. On the other hand, in-house investigators have been located in various field offices over the years. Personnel responsible for other functions of the conservatorship and receivership have been located in various field offices. All field offices work under the supervision of headquarters in Washington. Different "Madison matters" have come to the attention of the RTC's Washington office at different times.

WHITEWATER/MADISON:

Question:

Why was the statute of limitations in this matter originally permitted to lapse?

Answer:

The original statute of limitations for director/officer liability claims was not "permitted to lapse". The investigation was closed in October of 1990 because it was concluded that litigation could not be pursued cost effectively. Madison filed suit against Frost and Co., its accountants, in 1988. The government continued to pursue these claims. In 1991, the RTC settled with Frost.

No statutes of limitations for PLS matters in thrifts under RTC control were permitted to expire without either filing appropriate civil actions, settling claims prior to filing or reaching a decision to close investigations because the dual criteria of viable and cost-effective claims could not be met. The decision not to pursue claims against former officers, directors, attorneys and appraisers for Madison was based on these factors.

WHITEWATER/MADISON:

Question:

Who made the decision to permit that?

Answer:

The investigations into all Madison professional liability matters, other than the audit failure case against Frost & Co., were closed by officials in the FDIC Legal Division responsible for RTC matters and by officials in the RTC Office of Investigations.

16404

WHITEWATER/MADISON:

Question:

Why did the Clinton Administration oppose a retroactive extension of the statue of limitations in the RTC Completion Act?

Answer:

-- The Treasury did not oppose the RTC Completion Act's extension of the statute of limitations.
-- The Administration's proposed legislation to fund the completion of the RTC in March 1993 did not contain a provision to extend the statute of limitations.
-- The GAO did a study of the RTC PLS program in response to charges that PLS cases were politicized and that there were instances of precipitous filings of PLS cases because of expiring statute of limitations. The GAO study found no evidence of PLS case politicization or instances of preemptive filings because of expiring statute of limitations.
-- Given the GAO study's conclusion, the need for an extension of the statute of limitations was questionable.
-- During Congressional consideration of provisions to be included in this legislation, Treasury was asked for its views on an extension of the statute of limitations. While we did not support the provision, we did not express any opposition.

WHITEWATER/MADISON:

Question:

Did Madison Guaranty matters enter into that decision?

Answer:

No.

WHITEWATER/MADISON:

Question:

Had Congress not just extended these limitations, what would the RTC have done on Madison before the Feb. 28 deadline?

Answer:

RTC has assigned a team of senior, experienced PLS attorneys in its Washington, D.C. office to work on the Madison matter. These attorneys, working under the close supervision of Legal Division managers, are conducting the investigation with the assistance of outside counsel, Pillsbury, Madison & Sutro, and a team of RTC investigators based in Kansas City and Washington. Although it would not have been easy to complete this investigation in the time originally alloted in the RTC Completion Act, RTC was prepared to take the necessary steps to do so.

WHITEWATER/MADISON:

Question:

What were the internal RTC processes which led to the decision in October to refer this to the Justice Department?

Answer:

It is standard RTC practice to review institutions for criminal activity sometimes even after the statute of limitations on civil claims has expired and to make criminal referrals where warranted. Those reviews are conducted in RTC field offices and referrals are made directly from the field offices to the appropriate U.S. Attorney's office.

It is the policy of RTC Investigations to make criminal referrals where there is a reasonable basis to believe that a crime has been attempted or committed.

WHITEWATER/MADISON:

Question:

Who was involved in that decision?

Answer:

Referrals are made by the Criminal Coordinator working for RTC's Investigations unit in the field office. The referral would have been made directly to the appropriate U.S. Attorney's office without prior review in Washington.

WHITEWATER/MADISON:

Question:

What is the RTC doing at this very moment to reach a decision on a civil claim?

Answer:

Beginning in January 1994, the RTC commenced a new investigation of the claims revived by the Completion Act. It assembled a team of in-house attorneys supervised by a Senior Counsel and in-house investigators. Further, we hired Pilsbury Madison and Sutro to represent us. We expected to make decisions about pursuing revived claims before the February 28th deadline.

WHITEWATER/MADISON:

Question:

Who at the RTC is doing that work?

Answer:

Beginning in January 1994, the RTC commenced a new investigation of the claims revived by the Completion Act. It assembled a team of in-house attorneys supervised by a Senior Counsel and in-house investigators. Further, we hired Pilsbury madison and Sutro to represent us. We expected to make decisions about pursuing revived claims before the February 28th deadline.

WHITEWATER/MADISON:

Question:

When will a decision be reached?

Answer:

I have been advised that the staff anticipates that decisions on pursuing specific claims should be made in 1994.

WHITEWATER/MADISON:

__Question:__

Tell us about the documents which the RTC provided to Mr. Fiske.

__Answer:__

The RTC is cooperating fully with the Independent Counsel. Any discussion of information or disputes received by him should be addresed to him.

WHITEWATER/MADISON:

Question:

What is the RTC doing to get those documents back?

Answer:

The RTC maintains copies of any documents in its _______ which it has _______ to the Independent Counsel.

WHITEWATER/MADISON:

Question:

How could the RTC make its decision without access to those documents?

Answer:

The RTC will vigorously seek all documents __________ which are relevant __________ which the RTC can assert ______.

The RTC is going to investigate the facts, and seek all documents which are relevant. Obviously it wants to make ___ ___ decisions on the _____ information in existence. That's not always possible and to the ______________________________ ____.

WHITEWATER/MADISON:

Question:

What discussion with RTC staff have you personally had on Madison?

Answer:

See Response to "Treasury Involvement" [Now at p. 2]

WHITEWATER/MADISON:

Question:

What discussions on it have you had with Secretary Bentsen?

Answer:

I have had no substantive discussions of Madison with Secretary Bentsen. I did inform him generally of the process the RTC was undertaking concerning ______________ as a result of the ______________ of the statute of limitations on the Completion Act.

16417

WHITEWATER/MADISON:

Question:

What has he said to you about the Madison investigation?

Answer:

Nothing.

WHITEWATER/MADISON:

Question:

Have you issued any instructions to RTC staff on this investigation? What were they?

Answer:

Other than to advise the Deputy CEO and the General Counsel of the RTC that I expected that all standard procedures would apply to the RTC's handling of this matter, I have issued no instructions.

WHITEWATER/MADISON:

Question:

What is being done to safeguard the RTC documents on this case?

Answer:

I don't have any specific information about this.

16120

WHITEWATER/MADISON:

Question:

Who made the decision to put Madison into conservatorship?

Answer:

The Federal Home Loan Bank Board.

WHITEWATER/MADISON:

Question:

Why was McDougal permitted to loot the institution the way he did?

Answer:

I have no specific information about the operation of Madison in the 1980's.

16422

WHITEWATER/MADISON:

Question:

Wasn't that a dereliction of oversight? Who was responsible?

Answer:

The RTC does not and did not regulate financial ________ and therefore I am not in a position to respond.

16473

WHITEWATER/MADISON:

Question:

Do you think that the President and/or Mrs. Clinton have broken any laws in this matter?

Answer:

In my role as interim CEO of the RTC, it is inappropriate for me to speculate.

WHITEWATER/MADISON:

Question:

Have they acted in an ethical fashion?

Answer:

As the interim CEO of the RTC I just cannot comment on this.

WHITEWATER/MADISON:

Question:

Aren't there, at the very least, appearances of impropriety on their part?

Answer:

As Interim CEO of the RTC, it would be most inappropriate for me to comment.

WHITEWATER/MADISON:

Question:

What should be done if it is ultimately determined that laws were broken?

Answer:

If the RTC's investigation determines that an individual has committed civil fraud, or intentional wrongdoing which resulted in loss to the FSLIC or personal gain, then the RTC should do what is appropriate to recover from any such individual. As usual, any decision to seek ______ must take into account the strength of the RTC's case and the cost effectiveness of any proposed ________.

WHITEWATER/MADISON:

Question:

Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater?

Answer:

I only know what I read in the newspapers.

16428

WHITEWATER/MADISON:

Question:

Has anyone at the RTC spoken to the President's attorney in this matter? Who has had that conversation?

Answer:

I do not know.

WHITEWATER/MADISON:

Question:

Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC.

Answer:

The Treasury General Counsel to my knowledge has not been active in the Madison matter. The RTC's General Counsel has been directing its efforts and has crusaded me about the procedures being followed in the investigation

WHITEWATER/MADISON:

Question:

Will the Oversight Board play any role at all in RTC decisions on Madison?

Answer:

No.

WHITEWATER/MADISON:

Question:

If the RTC were to file a claim in court against the Clintons, how would that work? What would the RTC seek, etc.?

Answer:

The RTC would follow its normal procedures if it decides to file a claim against anyone. I have instructed the RTC to handle this matter like it would any other.

2-23-94 (1

Question:

Why are you unwilling to recuse yourself?

Answer:

First, your obvious point is that I should not play any role in the RTC's eventual decision to pursue a civil claim, or not pursue one, in the Madison Guaranty matter. Well, I probably will not be doing so.

My appointment as interim CEO under the Vacancy Act expires on March 30, 1994. I will have no role with the RTC beyond that date unless a nomination for permenant CEO has been sent to Congress. That is unlikely. Plus, the RTC General Counsel has advised me that any recommendations she makes on Madison Guaranty will not be formulated before that time. I will, therefore, most likely have no role in the RTC's decisions on the matter.

1a

Vacancy Act:

Question:

If the Administration were to submit a nomination to the Senate before your Vacancy Act appointment expires, will your appointment automatically be extended? If so, how can we be certain that you will not be the CEO when a decision is made?

Answer:

It is correct that the submission of a nomination to the Senate would be extended the appointment. However, in my view it is very unlikely that a nomination will be formally submitted by the end of March.

Question:

But what if a nomination were submitted?

Answer:

I would have to evaluate the situation. But, frankly, I think it is extremely unlikely.

Question:

You still should recuse yourself. Why don't You?

Answer:

As I said, the point is probably moot. Most likely, I'll have no role in any RTCdecisions on pursuing a civil claim in the Madison matter.

Also, I consulted both with the relevant RTC ethics officer and with the relevant Treasury ethics officer.

Both ethics officers advised me that there was no requirement for a recusal in this matter. The specific statutes and regulations involved do not define this as a case requiring recusal.

Both ethics officers advised me that any decisions on recusal normally would be made when a matter is ready for decision. The Madison matter, as I've said, is not ready.

__Question__:

Doesn't your relationship with The President and Mrs. Clinton require a recusal? Isn't there the appearance of a conflict of interest?

__Answer__:

First, as I said, I'll probably not be playing any role in this matter.

Second, I'm playing no role whatsoever right now in the RTC's investigation of this case. I've seen no documents. I've had no conversations at all on where the investigation stands. I have no idea what recommendations the General Counsel will reach. They probably will be completed after I've left.

Third, I might point out the RTC referred this matter to the Justice Department for possible criminal review last October. I was also interim CEO at that time.

I was advised at that time that such a review was being conducted and that a decision on referral to Justice would be made.

__Question:__

Were you asked how it should be handled?

__Answer:__

As certain Treasury and RTC officers will attest, I took the position that normal procedures should be followed. I such a decision on referral was typically made at the regional office level, my view was that it should be made that way in this matter.

Question:

What conversations have you had with The White House on this matter?

Answer:

I've had one substantive conversation and which wasn't. Approximately three weeks ago, Jean Hanson (Treasury General Counsel) and I requested a meeting with Mr. Nussbaum, White House Counsel.

The purpose of the meeting was to describe the procedural reasons for the then impending February 28 deadline: Due to the Completion Act, the statute of limitations was retroactively reinstated for certain types of civil claims (those relating to fraud and certain claims relating to intentional misconduct); as it related to Madison Guaranty, it would expire the end of February. Finally, if the RTC were to determine that any such claims exiated, the RTC would have to determine whether to seek a tolling agreement or commence litigation.

We made clear that we had no idea at all what decision would be reached. I did say, however, that if I received a clear recommendation from the RTC's chief legal officer, I would follow it. I also said that I was reserving judgment on a recusal.

We were only asked one question. Did the RTC intend to provide the same briefing on the RTC's processes to attorneys for the parties in interest. I said that I assumed so but would check with the RTC General Counsel.

Jean Hanson did check and was told "in due course." I said "fine".

Question:

Why did you brief the White House on those processes?

Answer:

Solely to ensure that they understood the legal, procedural framework within which the RTC was working. (If you recall, at that time the February 28 date was the subject of major attention in the Congress and the press.) It is not uncommon for meetings of this type to take place. The meeting could have taken place between the lawyers; this was simply a legal briefing with a larger audience.

Question:

Who else attended that meeting?

Answer:

Mr. Ickes, Ms. Williams and one of Mr. Nussbaum's assistants.

Question:

Were there any other conversations at all?

Answer:

The only other discussion -- which lasted about five minutes -- occurred later when I indicated that I was not inclined towards a recusal.

Question:

Has the White House attempted to influence your decision on these matters?

Answer:

No. It is understood that the RTC must complete the task that it has been given and, of course, The White House respects the independence of the RTC.

Question:

Have you attempted to influence the RTC's review of the

Madison Guaranty matter or the outcome of its decision?
Answer:

No

Question:

Why did the Treasury General Counsel accompany you and not the RTC General Counsel?

Answer:

We discussed only the broad procedural framework of the statute of limitations issue and the presence of the RTC General Counsel was not necessary. No specifics were, or were intended to be discussed.

Question:

Are you a close friend of the Clintons?

Answer:

I know them well, yes.

Question:

Do you consider yourself a FOB?

Answer:

Yes, as I understand that term to be used.

Question:

Do you think your relationship with The President should disqualify you from playing any role in Madison?

Answer:

As I said, I probably won't be playing any role. If I were to play a role my answer would be no. When I was advised that a referral to Justice was likely, my position was that all the normal proceudres should be followed. In that case, such decisions are often made by regional offices and my view was that nothing should be different.

That would be my stance on Madison. If I received a clear recommendation on it from the chief legal officer, I'd follow it.

I've never played favorites on sensitive matters, let alone one of this sensitivity, and I wouldn't do so here.

6a

Question:

Ricki Tigert chose to recuse herself. You didn't. What's different about the two cases?

Answer:

I can't comment about Ricki Tigert's decision. I haven't discussed it with her. I don't know the FDIC procedures which pertain to it. It's not my role to speculate on her decision.

Question:

Have you issued any instructions to RTC staff on this investigation? What were they?

Answer:

I advised the Deputy CEO than to advise the Deputy CEO and the General Counsel of the RTC that I expected that all standard procedures would apply to the RTC's handling of this matter. Other than that, I have issued no instructions.

16142

WHITEWATER/MADISON: TREASURY INVOLVEMENT

Question:

Have any other officials of the Treasury Department been involved in any discussions relating to the RTC's handling of Madison or related matters?

Answer:

-- I and a very limited number of my Treasury staff have been briefed generally by RTC staff on a variety of issues related to the RTC's review of the Madison matter. Topics include:

-- RTC procedures related to document requests including the types of information that are releasable in the ordinary course to members of the public, members of the Congress acting in their individual capacity and as a Committee of the Congress;

-- a general discussion of the causes of action that might be available to the RTC that fall within the extension of the statute of limitations contained in the RTC Completion Act;

-- the normal criteria applied by the RTC in seeking an Authority to Sue, tolling agreements with potential defendants, etc.; and,

-- the applicable statute of limitations and a chronology of the Madison matter beginning in 1989 with the seizure of the institution by the FDIC, the expiration of the FIRREA statute of limitations in 1992 and the revival of certain types of actions under the Completion Act and the further extension via the California Earthquake Relief Act;

-- During my service as the Interim CEO of the RTC I have had members of my Treasury staff sit in on a variety of briefings and discussions related to RTC matters. For instance, since I was appointed Interim CEO of the RTC I and members of my Treasury staff have had a standing Tuesday luncheon involving senior members of RTC including the Deputy CEO, the General Counsel and the Senior Vice President for Minority and Women's Business. Topics discussed during the course of these regular meetings include the implementation of the recently approved Completion Act.

-- No discussions of the actual decisions to be made by the RTC as to whether any claims exist and should be pursued against specific persons in connection with Madison have been held by me or other Treasury staff.

16444

8a

Question:

Are you typically briefed on specific PLS cases.

Answer:

-- Not generally. But in htis case I have received many cases from members of Congress for information.

-- They have urged the RTC to do more and to take specific actions.

16445

8b

Question:

Why did the Treasury people participate?

Answer:

From the outset of my appointment I involved a limited number of Treasury staff because there was no permanent General Counsel and no Deputy CEO more of my attention was required and ----- support as necessary.

WHITEWATER/MADISON:

Question:

What discussion with RTC staff have you personally had on Madison?

Answer:

See Response to "Treasury Involvement" [Now at p. 2]

1E147

WHITEWATER/MADISON:

Question:

Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC.

Answer:

The Treasury General Counsel to my knowledge has not been active in the Madison matter. The RTC's General Counsel has been directing its efforts and has counseled me about the procedures being followed in the investigation

WHITEWATER/MADISON:

Question:

What discussions on it have you had with Secretary Bentsen?

Answer:

I have had no substantive discussions of Madison with Secretary Bentsen. I did inform him generally of the process the RTC was undertaking concerning Madison as a result of the expansion of the statute of limitations in the Completion Act.

I have had three brief discussions with Secretary Bentsen on matters relating to Madison

I alerted that there was a possibility of criminal referrals being made in late September.

In early February I described to him the process that the RTC was undertaking in connection with its review of Madison in light of the then impending February 28 deadline, and that I had received COngressional Inquiries on whether I would rescuse myself from the matter.

I told him that I was reserving judgment on the recusal.

Somewhat later I told him that I was not inclined toward a reusal.

Question:

Why did you have those conversations?

Answer:

To give him a "heads up" so that we would bot be caught by surprise if her were to receive inquiries on these matters as Chairman of the Oversight Board.

WHITEWATER/MADISON:

Question:

What has he said to you about the Madison investigation?

Answer:

Nothing.

Question:

Do you mean that he said nothing during your conversations?

Answer:

Only that he appreciated the "heads up".

WHITEWATER/MADISON: JUSTICE DEPARTMENT

Question:

Has the Justice Department told the RTC what it can and cannot tell the Congress in matters relating to Madison Guaranty?

Answer:

No. But I was advised the RTC had discussions with the Justice Department regarding the release of specific information contained in a criminal referral.

This resulted from a highly unusual request by an individual member of Congress for this information.

While the RTC regularly discusses with Justice such issues a the release of information related to that respective investigation, it was this Congressional request that prompted RTC's inquiry and an agreement at the request of the Justice Department that this information not be disclosed.

This is consistent with RTC policy.

13a

WHITEWATER/MADISON: **CONGRESSIONAL REQUEST FOR PRODUCTION OF ATF AND SECRET SERVICE DOCUMENTS**

Question:

Does Treasury have any documents relating to Vince Foster's death?

Answer:

We recently received a Congressional request for such documents. Our search to date had identified several Bureau of Alcohol, Tobacco and Firearms and Secret Service documents.

Question:

What is the Department doing in response to that Congressional request?

Answer:

We continue to search our files for responsive material. In addition, as you are aware, the jurisdiction of Special Counsel Robert A. Fiske includes looking into the investigation of Mr. Foster's death. Accordingly, we have referred to the Special Counsel the documents that we have located and have asked the views on whether they can be released.

Question:

Why do those bureaus have documents related to the investigation of Mr. Foster's death?

Answer:

ATF was asked by the Park Police to do laboratory analysis of physical evidence the Park Police had collected in their investigation of Mr. Foster's death. Secret Service generated documents in connection with their responsibility for physical security at the White House, including Mr. Foster's office.

__Question:__

Why don't you release them?

__Answer:__

We hav an obligation not to jeopardize an ongoing investigation. Although we believe that, at least a portion of them will not be revelant to the investigation. Mr. Fiske is conduction the investigation and it is his decision what documents can be released. We hope that he will give a prompt reply to our request that he make conclusions about these documents.

WHITEWATER/MADISON: INDEPENDENT COUNSEL

Question:

Secretary Altman, has the RTC been in contact with the Special Counsel Robert Fiske? Have you participated in these conversations?

Answer:

-- I understand that there have been several telephone conversations with Mr. Fiske and his staff and RTC staff regarding various procedural matters.

-- I have not participated in any of those discussions.

Question:

What procedural matters?

Answer:

I Don't have any idea of what they were.

WHITEWATER/MADISON:

Question:

Tell us about the documents which the RTC provided to Mr. Fiske.

Answer:

The RTC is cooperating fully with the Independent Counsel. Any discussion of information on documents received by him should be addresed to him.

Question:

We'd like you to tell us.

Answer:

I am advised that in order to protect Mr. Fiske's investigation I should not comment on documents produced to him.

15a

Question:

Who at the RTC has access to these documents?

Answer:

I only know that the RTC's General Counsel has access. Beyound that I cannot comment.

WHITEWATER/MADISON:

Question:

What is the RTC doing to get those documents back?

Answer:

The RTC maintains copies of any documents in its possession which it has provided to the Independent Counsel.

Question:

Are there other documents which the RTC needs which it can't get?

Answer:

I've been advised that I should not comment on documents related to any ongoing investigation.

16a

WHITEWATER/MADISON:

Question:

How could the RTC make its decision without access to those documents?

Answer:

The RTC is going to investigate the facts, and seek all documents which are relevant. Obviously it wants to make litigation decisions on the best information in existence. That is not always possible and to the extent the RTC is unable to obtain material information the effectiveness of its investigation any any subsequent litigation could be impaired.

16b

Question:

Why shouldn't the investigaton of Madison be done solely by the Independent Counsel appointed by the Attorney General instead of the RTC conducting its own investigation?

Answer:

The RTC is required by law to maximize the recoveries of assets from failed institutions in RTC conservatorships or receiverships.
The claims being investigated are such assets.

The Independent Counsel is carrying out the delegation to him by the Attorney General.

Congress has not seen fit as of this date to provide that in the case of dual investigations by more than one agency, the Department of Justice would perform the role of both agencies.

WHITEWATER/MADISON: ROSE LAW FIRM

Question:

Secretary Altman, has the RTC investigated the Rose Law firm and whether or not it correctly represented possible conflicts when soliciting business with the RTC? Have you recused yourself from this matter?

Answer:

-- I am not aware of any information which would contradict the FDIC report.

-- The FDIC, as exclusive agent for the FSLIC, was the original conservator of Madison and as such, retained the Rose law firm not the RTC. As you know the FDIC has investigated the circumstances arising out of that relationship and has released the report. Perhaps Acting Chairman Hove might like to briefly expand upon the report.

-- I understand that the General Counsel received a report prepared by the RTC Office of Contractor Oversight. The report was presented to the FDIC during its investigation of the Rose Law Firm. The General Counsel has also advised me that the report does not contradict the information reviewed and the conclusions reached by the FDIC.

18461

WHITEWATER/MADISON:

Question:

Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater?

Answer:

I only know what I read in the newspapers.

QUESTIONS RELATED TO WHITEWATER/MADISON

Question:

Why is the RTC refusing to provide information about Madison and Whitewater to this Committee?

Answer:

-- At the present time the RTC has not received a request from this Committee and is cooperating to the fullest extent possible under the law with the investigations by individual members (Rep. Leach/Sen. D'Amato).

Question:

Haven't you refused to provide specific information to members of the Committee (Rep. Leach/Sen. D'Amato) and their staffs which they have advised you is extremely important to their carrying out of their duties?

Answer:

-- First, let me state that we have provided volumes of information to individual members of Congress regarding Madison Guaranty. Only last night we sent 6,500 pages of material to Senator A'Amato.

-- The RTC has not received a request from the Committee for any documents. However, absent a request from the Committee, the RTC can provide to individual Members of Congress in the following areas:

- -- Information regarding the personal and corporate financial records in its possession;
- -- Information relating to criminal investigations;
- -- Information which is privileged; and,
- -- Material relating to possible civil litigation.

-- Release of these types of information to individual Members of Congress could jeopardize the governments's ability to bring and subsequently prosecute both civil and criminal matters.

In addition, the release of certain information could be a violation of the Privacy and Trade Secrets Acts that in turn would lead to possible liability to the government official responsible for their release and to the government as well.

Follow up:

As a Committee member (Minority Member) and as participant in this hearing, I am formally requesting that you supply the material previously requested (by Rep. Leach/Sen. D'Amato).

Answer:

-- The RTC is in something of an awkward position and would request that clarification be provided the RTC by the Committee Chair as to whether a request during the hearing from an individual member constitutes a formal request by the Committee as part of this hearing.

Follow up:

As the Chairman of this Committee (Chairman Riegle/Chairman Gonzalez), I am requesting that you provide the information requested to the majority and minority staffs of this Committee.

Answer:

-- The Justice Department and the Special Counsel, Mr. Fiske, has requested that with respect to Madison, the RTC make no information available about criminal referrals without its consent. The RTC, in addition to its obligations to comply with the law is deeply concerned about the provision of information which could have a negative impact on its investigation or litigation of any matter.

Follow up:

I insist.

Answer:

-- Mr. Chairman, the RTC will respond as to its position on this request expeditiously after consultation with the Special Counsel and the Justice Department.

-- May I reiterate the RTC's concerns about possible negative affects on our investigation. I would also request on behalf of the RTC that appropriate safeguards be implemented after consultation with the staff of the Committee to protect the confidentiality of information and to preserve the privileged nature of any information which might be disclosed.

Background:

-- The RTC's policy with respect to this type of matter is a non-partisan one. The RTC has treated Democrats similarly to Republicans. The RTC has previously provided privileged information to Congressional Committees with safeguards such as a promise of confidentiality or under threat of subpoena which protects the agency from a claim that its privileges have been waived by disclosure to Congress. For example, the RTC has disclosed:

-- Information regarding Southwest Savings litigation requested by a majority member of the Senate Banking Committee. The information was disclosed only after the RTC received a [written] promise of confidentiality from the [Committee];

-- Information regarding Homefed requested by the majority of the House Banking Committee. The Chairman of the Committee, in writing threatened to issue a subpoena for the requested material;

-- Information protected by the Privacy Act requested by a majority member of the House Subcommittee on Civil Service (Rep. Schroeder) was denied originally and released only after a promise of confidentiality by the Chairman of the Subcommittee.

-- In the absence of such safeguards, the RTC would have to consider all its options in order to avoid jeopardizing its statutory obligations.

WHITEWATER/MADISON: CONGRESSIONAL REQUESTS FOR INFORMATION

Question:

Why has the RTC taken the position that an individual member of Congress only has the standing of an average citizen when making requests of the agency for information? Isn't it true that there is a certain amount of flexibility in interpreting the law regarding this question? Mr. Altman, were you involved in this decision? Were any other Treasury officials involved in this decision?

Answer:

-- The request of individual members of Congress for information is not a new issue. This issue has been raised on numerous occasions involving many executive agencies. The RTC is not charting new waters here.

-- The RTC has taken the position that requests for information from individual members of Congress, as contrasted with requests from Congressional Committees, have the same standing as FOIA requests and are subject to the same exceptions. There is no credible legal theory or authority to the effect that the law is otherwise.

-- Providing privileged information to an individual member of Congress would likely waive all applicable privileges and could also result in other violations of FOIA.

-- Our position is consistent with that of other agencies and of the Department of Justice.

-- We are most concerned that we not take steps which would impair the RTC's and the Special Counsel's ability to carry out their responsibilities or violate relevant law.

-- At the same time, the RTC has provided individual members of Congress with significant amounts of documentation and information within the limitations which I have described and it will continue to cooperate to the fullest extent possible.

-- The decisions made with respect to information which may appropriately be disclosed have been made by the staff of the RTC alone in accordance with normal agency procedures.

WHITEWATER/MADISON: CRIMINAL REFERRALS

Question:

How many criminal referrals were made by the RTC relating to Madison? When were they made? Could you provide a copy of these referrals to the committee?

Answer:

-- It is the policy of the RTC not to discuss criminal referrals on an institution specific basis;

-- All questions concerning criminal investigations should be directed to the Justice Department, and in the case of Madison Guaranty to Special Counsel Robert Fiske.

-- The bank regulators and the RTC strongly encourages the early detection of suspected criminal activity. Therefore in order to provide for the free flow of information and the encouragement of such reports the contents of investigative reports must be protected against disclosure.

-- In recognition of their sensitive status, completed Criminal Referral forms are protected from disclosure under the Freedom of Information Act, and the litigation discovery process and are subjected to the provisions of the Privacy

WHITEWATER/MADISON:

Question:

What were the internal RTC processes which led to the decision in October to refer this to the Justice Department?

Answer:

It is standard RTC practice to review institutions for criminal activity sometimes even after the statute of limitations on civil claims has expired and to make criminal referrals where warranted. Those reviews are conducted in RTC field offices and referrals are made directly from the field offices to the appropriate U.S. Attorney's office.

It is the policy of RTC Investigations to make criminal referrals where there is a reasonable basis to believe that a crime has been attempted or committed.

Question:

Were you told what names would be inlcuded in the referral?

Answer:

Yes, I was told.

Question:

Who were they?

Answer:

I cannot comment.

WHITEWATER/MADISON:

Question:

Who was involved in that decision?

Answer:

I am not sure. Normally, referrals are made by the Criminal Coordinator working for RTC's Investigations unit in the field office.

WHITEWATER/MADISON:

Question:

When did the RTC first turn its attention to Madison?

Answer:

The RTC became responsible for resolving Madison's affairs on August 9, 1989.

Madison Guaranty Savings was declared insolvent and placed in conservatorship on February 28, 1989. The Federal Home Loan Bank appointed the Federal Savings and Loan Insurance Corporation ("FSLIC") to serve as Madison's conservator. By agreement between the FSLIC and the Federal Deposit Insurance Corporation ("FDIC"), the FDIC immediately became the Managing Agent for the Madison conservatorship. The FDIC managed the conservatorship until ("FIRREA") was signed into law on August 9, 1989. The FDIC remained the managing agent for the RTC until the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 became effective in December of 1991.

WHITEWATER/MADISON:

Question:

Who in the RTC was involved at the beginning?

Answer:

-- I don't know.

-- From February 1989 to August 1989, scores of FDIC staff and supervisors were involved in disposing of assets, evaluating claims of creditors, and investigating and pursuing professional liability claims.

-- Through a process which began in August of 1989, RTC personnel gradually took over these responsibilities. Throughout most of 1990, the FDIC maintained one Legal Division to represent both the RTC and FDIC.

-- The RTC Professional Liability Section ("PLS") (responsible for investigating and pursuing claims against former directors, officers, accountants, attorneys, appraisers, and brokers of failed financial institutions, as well as against insurance companies who provide coverage to such individuals and firms) remained a branch of the FDIC PLS until January 1991.

WHITEWATER/MADISON:

Question:

When did the Madison matter first come to the attention of the RTC's Washington office?

Answer:

I don't know. Neither the FDIC nor RTC PLS employed staff in field offices until the Spring of 1991. Consequently, professional liability attorneys responsible for Madison have always been located in Washington.

WHITEWATER/MADISON:

Question:

Why wasn't a claim pursued before the statute of limitations lapsed?

Answer:

-- The original statute of limitations for director and officer and other professional liability claims was not "permitted to lapse".

-- No statutes of limitations for PLS matters in thrifts under RTC control were permitted to expire without either filing appropriate civil actions, settling claims prior to filing or reaching a decision to close investigations because the dual criteria of viable and cost-effective claims could not be met.

-- The decision not to pursue claims against former officers, directors, attorneys and appraisers for Madison was based on these factors.

-- Madison filed suit against Frost and Co., its accountants, in 1988, and the government continued to pursue these claims. In 1991, the RTC settled with Frost.

WHITEWATER/MADISON:

Question:

Who made the decision to permit that?

Answer:

-- The investigations into all Madison professional liability matters, other than the audit failure case against Frost & Co., were closed by officials in the FDIC Legal Division responsible for RTC matters and by officials in the RTC Office of Investigations. (dual sign offs)

-- The settlement of the audit failure case was approved by officials in the FDIC Legal Division responsible for RTC matters and by business side officials of the RTC.

WHITEWATER/MADISON: CIVIL ACTIONS

Question:

Why has it been almost five years since Madison failed and no civil action has been taken while many criminal referrals have been made?

Answer:

-- While an in-depth response concerning the actions taken by he RTC in connection with Madison must await a later date, let me provide you with a review of significant events:

-- The original statute of limitations for Madison civil claims expired in early 1992;

-- Before that date, the FDIC and subsequently the RTC pursued a civil claim against Madison's former auditors. This case was originally filed by Madison (the institution) prior to its failure and was successfully settled. Certain other litigation was also pursued.

-- Despite the fact the statute of limitations for civil claims had expired in early 1992, the RTC has continued to assess Madison, as well as other institutions, as to whether criminal referrals should be made since the statute of limitations period for criminal charges is longer.

-- With the enactment of the RTC Completion Act in December 1993, the statute of limitations was renewed with respect to a limited class of civil actions.

-- The statute of limitations with respect to those civil actions extended in December 1993 was again extended as part of the recently enacted California Earthquake Relief Act. The statute of limitations expires on December 31, 1995.

-- The review of whether any civil claims relating to Madison as well as other institutions are sound and cost effective is underway.

16475

WHITEWATER/MADISON:

Question:

Has the RTC ever uncovered any ties between Madison and Whitewater, or Madison and the Clintons?

Answer:

Since these matters are under investigation, it would be inappropriate to comment on them at this time. Discussing specific information could materially impair both the civil and criminal investigations which are underway.

WHITEWATER/MADISON:

Question:

Had Congress not just extended these limitations, what would the RTC have done on Madison before the Feb. 28 deadline?

Answer:

RTC has assigned a team of senior, experienced PLS attorneys in its Washington, D.C. office to work on the Madison matter. These attorneys, working under the close supervision of Legal Division managers, are conducting the investigation with the assistance of outside counsel, and a team of RTC investigators based in Kansas City and Washington. Although it would not have been easy to complete this investigation in the time originally alloted in the RTC Completion Act, RTC was prepared to take the necessary steps to do the best job possible.

18477

WHITEWATER/MADISON:

Question:

What is the RTC doing at this very moment to reach a decision on a civil claim?

Answer:

Beginning in January 1994, the RTC commenced a new investigation of the claims revived by the Completion Act. It assembled a team of experienced in-house attorneys supervised by a Senior Counsel and Legal Division managers. Further, we hired outside counsel to represent us. We expect to make decisions about pursuing revived claims during 1994.

16478

WHITEWATER/MADISON:

Question:

Who at the RTC is doing that work?

Answer:

Beginning in January 1994, the RTC commenced a new investigation of the claims revived by the Completion Act. It assembled a team of in-house attorneys supervised by a Senior Counsel and Legal Divsion managers. Further, we hired outside counsel to represent us. We expected to make decisions about pursuing revived claims during 1994.

16479

WHITEWATER/MADISON:

Question:

When will a decision be reached?

Answer:

I have been advised that the staff anticipates that decisions on pursuing specific claims should be made in 1994.

16480

WHITEWATER/MADISON:

Question:

What is being done to safeguard the RTC documents on this case?

Answer:

I don't have any specific information about this.

16181

WHITEWATER/MADISON:

Question:

If the RTC were to file a claim in court against the Clintons, how would that work? What would the RTC seek, etc.?

Answer:

The RTC would follow its normal procedures if it decides to file a claim against anyone. I have instructed the RTC to handle this matter like it would any other.

Question:

In light of the problems with RTC PLS, why do you think that it can adequately investigate the Madison claims?

Answer:

As I said in my testimony, we have made great progress in addressing the problems which have been identified with RTC PLS. First of all, we have greatly strengthened our management team with the recent appointment of Ellen Kulka, a very knowledgeable attorney in PLS matters, as the General Counsel of the agency. Many of the problems with PLS had to do with inadequate numbers of experienced staff, and I have taken steps to address these problems. RTC PLS now has the largest number of attorneys in its history, and I recently approved the creation of 4 new managerial positions to improve oversight of cases and investigations. The naming of an Assistant General Counsel for Professional Liability, pursuant to the RTC Completion Act, with responsibility for supervising both legal staff and investigative personnel in this area, will also improve coordination between these units. In fact, the oversight of the Madison investigation, involving a team of experienced PLS attorneys and investigators, working closely with outside counsel, is an example of these improvements.

WHITEWATER/MADISON:

__Question:__

Why did the Clinton Administration oppose a retroactive extension of the statue of limitations in the RTC Completion Act?

__Answer:__

-- The Treasury did not oppose the RTC Completion Act's extension of the statute of limitations.

-- The Administration's proposed legislation to fund the completion of the RTC in March 1993 did not contain a provision to extend the statute of limitations.

-- The GAO did a study of the RTC PLS program in response to charges that PLS cases were politicized and that there were instances of precipitous filings of PLS cases because of expiring statute of limitations. The GAO study found no evidence of PLS case politicization __or__ instances of preemptive filings because of expiring statute of limitations.

-- Given the GAO study's conclusion, the need for an extension of the statute of limitations was questionable.

-- During Congressional consideration of provisions to be included in this legislation, Treasury was asked for its views on an extension of the statute of limitations. While we did not support the provision, we did not express any opposition.

WHITEWATER/MADISON:

Question:

Did Madison Guaranty matters enter into that decision?

Answer:

No.

16485

Question:

What is the RTC doing to ensure that claims for which the statute of limitations has been extended are being investigated?

Answer:

As a result of the extension of the statute of limitations for some types of RTC civil claims by the RTC Completion Act, as amended by the California Earthquake Relief Act, to December 31, 1995, the agency is able to take a further look at certain claims. For institutions where the original 3-year FIRREA limitations period had expired by December 17, 1993, only those claims involving fraud or intentional miscoOnduct were affected by the extension. For institutions where the original three-year period had not expired, the extension also applied to claims involving gross negligence or conduct evidencing a greater disregard of duty.

The due diligence procedures on those institutions in which claims were revived will be oveseen by PLS and Investigations supervisors who will work with staff and identify those institutions which are the best candidates for more extensive review. Planning is also underway to establish joint coordinating teams from PLS and Investigations.

WHITEWATER/MADISON:

Question:

When did Madison Guaranty collapse?

Answer:

Madison Guaranty Savings was declared insolvent and placed in conservatorship on February 28, 1989. The Federal Home Loan Bank appointed the Federal Savings and Loan Insurance Corporation ("FSLIC") to serve as Madison's conservator. By agreement between the FSLIC and the Federal Deposit Insurance Corporation ("FDIC"), the FDIC immediately became the Managing Agent for the Madison conservatorship. The FDIC managed the conservatorship until ("FIRREA") was signed into law on August 9, 1989. The FDIC remained the managing agent for the RTC until the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 became effective in December of 1991.

WHITEWATER/MADISON:

__Question:__

Who made the decision to put Madison into conservatorship?

__Answer:__

The Federal Home Loan Bank Board.

WHITEWATER/MADISON:

Question:

Tell us about the federal oversight of Madison before the collapse.

Answer:

Madison was regulated by the Federal Home Loan Bank Board, the predecessor agency to the Office of Thrift Supervision. Any questions about regulation of Madison before its collapse should be addressed to OTS.

16189

WHITEWATER/MADISON:

Question:

Why was McDougal permitted to loot the institution the way he did?

Answer:

I have no specific information about the operation of Madison in the 1980's.

WHITEWATER/MADISON:

Question:

Wasn't that a dereliction of oversight? Who was responsible?

Answer:

The RTC does not and did not regulate financial institutions and therefore I am not in a position to respond.

16491

WHITEWATER/MADISON:

Question:

Do you think that the President and/or Mrs. Clinton have broken any laws in this matter?

Answer:

In my role as Interim CEO of the RTC, it is inappropriate for me to speculate.

WHITEWATER/MADISON:

Question:

Have they acted in an ethical fashion?

Answer:

As the interim CEO of the RTC I just cannot comment on this.

WHITEWATER/MADISON:

Question:

Aren't there, at the very least, appearances of impropriety on their part?

Answer:

As Interim CEO of the RTC, it would be most inappropriate for me to comment.

WHITEWATER/MADISON:

Question:

What should be done if it is ultimately determined that laws were broken?

Answer:

If the RTC's investigation determines that an individual has committed civil fraud, or intentional wrongdoing which resulted in substantial loss to the institution or unjust enrichment, then the RTC should do what is appropriate to recover from any such individual. As usual, any decision to seek a recovery must take into account the strength of the RTC's case and the cost effectiveness of any proposed litigation.

16495

WHITEWATER/MADISON:

Question:

Has anyone at the RTC spoken to the President's attorney in this matter? Who has had that conversation?

Answer:

I do not know.

WHITEWATER/MADISON:

Question:

Will the Oversight Board play any role at all in RTC decisions on Madison?

Answer:

No.

Question:

Why are you unwilling to recuse yourself?

2-24 94

(18)

Answer:

- First, your obvious point is that I should not play any role in the RTC's eventual decision to pursue a civil claim, or not pursue one, in the Madison Guaranty matter. Well, I probably will not be doing so.
- My appointment as interim CEO under the Vacancy Act expires on March 30, 1994. I will have no role with the RTC beyond that date unless a nomination for permanent CEO has been sent to Congress. That is unlikely. Plus, the RTC General Counsel has advised me that any recommendations she makes on Madison Guaranty will not be formulated before that time. I will, therefore, most likely have no role in the RTC's decisions on the matter.

1a

Question:

If the Administration were to submit a nomination to the Senate before your Vacancy Act appointment expires, will your appointment automatically be extended? If so, how can we be certain that you will not be the CEO when a decision is made?

Answer:

- It is correct that the submission of a nomination to the Senate would be extended the appointment. However, in my view it is very unlikely that a nomination will be formally submitted by the end of March.

Question:

But what if a nomination were submitted?

Answer:

- I would have to evaluate the situation. But, frankly, I think it is extremely unlikely.

2

Question:

You still should recuse yourself. Why don't you?

Answer:

- As I said, the point is probably moot. Most likely, I'll have no role in any RTC decisions on pursuing a civil claim in the Madison matter.
- Also, I consulted both with the relevant RTC ethics officer and with the relevant Treasury ethics officer.
- Both ethics officers advised me that there was no requirement for a recusal in this matter. The specific statutes and regulations involved do not define this as a case requiring recusal.
- Both ethics officers advised me that any decisions on recusal normally would be made when a matter is ready for decision. The Madison matter, as I've said, is not ready.

Question:

Doesn't your relationship with The President and Mrs. Clinton require a recusal? Isn't there the appearance of a conflict of interest?

Answer:

- First, as I said, I'll probably not be playing any role in this matter.
- Second, I'm playing no role whatsoever right now in the RTC's investigation of this case. I've seen no documents. I've had no conversations at all on where the investigation stands. I have no idea what recommendations the General Counsel will reach. They probably will be completed after I've left.
- Third, I might point out the RTC referred this matter to the Justice Department for possible criminal review last October. I was also interim CEO at that time.
- I was advised at that time that such a review was being conducted and that a decision on referral to Justice would be made.

Question:

Were you asked how it should be handled?

Answer:

- As certain Treasury and RTC officers will attest, I took the position that normal procedures should be followed. If such a decision on referral was typically made at the regional office level, my view was that it should be made that way in this matter.

Question:

What conversations/contacts have you had with The White House on this matter?

Answer:

- I've had one brief meeting and one incidental conversation. Approximately three weeks ago, Jean Hanson (Treasury General Counsel) and I requested a meeting with Mr. Nussbaum, White House Counsel.

- The purpose of the meeting was to describe the procedural reasons for the then impending February 28 deadline: Due to the Completion Act, the statute of limitations was retroactively reinstated for certain types of civil claims (those relating to fraud and certain claims relating to intentional misconduct); as it related to Madison Guaranty, it would expire the end of February. Finally, if the RTC were to determine that any such claims existed, the RTC would have to determine whether to seek a tolling agreement or commence litigation.

- We made clear that we had no idea at all what decision would be reached. I did say, however, that if I received a clear recommendation from the RTC's chief legal officer, I would follow it. I also said that I was reserving judgment on a recusal.

- We were only asked one question. Did the RTC intend to provide the same briefing on the RTC's processes to attorneys for the parties in interest. I said that I assumed so but would check with the RTC General Counsel.

- Jean Hanson did check and was told "in due course." I said "fine".

Question:

Why did you brief the White House on those processes?

Answer:

- Solely to ensure that they understood the legal, procedural framework within which the RTC was working. (If you recall, at that time the February 28 date was the subject of major attention in the Congress and the press.) It is not uncommon for meetings of this type to take place. The meeting could have taken place between the lawyers; this was simply a legal briefing with a larger audience.

Question:

Who else attended that meeting?

Answer:

- Mr. Ickes, Ms. Williams and one of Mr. Nussbaum's assistants.

Question:

Were there any other conversations at all?

Answer:

- The only other discussion -- which lasted about five minutes -- occurred later when I indicated that I was not inclined towards a recusal.

Question:

Has the White House attempted to influence your decision on these matters?

Answer:

- No. It is understood that the RTC must complete the task that it has been given and, of course, The White House respects the independence of the RTC.

Question:

Are you a close friend of the Clintons?

Answer:

- I know them well, yes.

Question:

Do you consider yourself a FOB?

Answer:

- Yes, as I understand that term to be used.

Question:

Do you think your relationship with The President should disqualify you from playing any role in Madison?

Answer:

- As I said, I probably won't be playing any role. If I were to play a role my answer would be no. When I was advised that a referral to Justice was likely, my position was that all the normal procedures should be followed. In that case, such decisions are often made by regional offices and my view was that nothing should be different.
- That would be my stance on Madison. If I received a clear recommendation on it from the chief legal officer, I'd follow it.
- I've never played favorites on sensitive matters, let alone one of this sensitivity, and I wouldn't do so here.

6 (con't.)

Question:

Have you attempted to influence the RTC's review of the Madison Guaranty matter or the outcome of its decision?

Answer:

- No.

Question:

Why did the Treasury General Counsel accompany you and not the RTC General Counsel?

Answer:

- We discussed only the broad procedural framework of the statute of limitations issue and the presence of the RTC General Counsel was not necessary. No specifics were, or were intended to be discussed.

6a

Question:

Ricki Tigert chose to recuse herself. You didn't. What's different about the two cases?

Answer:

- I can't comment about Ricki Tigert's decision. I haven't discussed it with her. I don't know the FDIC procedures which pertain to it. It's not my role to speculate on her decision.

Question:

Have you issued any instructions to RTC staff on this investigation? What were they?

Answer:

- **I advised the Deputy CEO and the General Counsel of the RTC that I expected that all standard procedures would apply to the RTC's handling of this matter. Other than that, I have issued no instructions.**

1E507

Question:

Have any other officials of the Treasury Department been involved in any discussions relating to the RTC's handling of Madison or related matters?

Answer:

- I and a very limited number of my Treasury staff have been briefed generally by RTC staff on a variety of issues related to the RTC's review of the Madison matter. Topics include:
    - RTC procedures related to document requests;
    - the causes of action that might be available to the RTC that fall within the extension of the statute of limitations contained in the RTC Completion Act;
    - the normal criteria applied by the RTC in seeking an Authority to Sue, tolling agreements with potential defendants, etc.; and,
    - the applicable statute of limitations and a chronology of the Madison matter beginning in 1989;
- No discussions of the actual decisions to be made by the RTC as to whether any claims exist and should be pursued against specific persons in connection with Madison have been held by me or other Treasury staff.

8a

Question:

Why did the Treasury people participate?

Answer:

- From the outset of my appointment I involved a limited number of Treasury staff to provide support as necessary because there was no permanent General Counsel and no Deputy CEO, and more of my attention was required.

Question:

What discussion with RTC staff have you personally had on Madison?

Answer:

- I have had some discussions with the Deputy CEO and General Counsel regarding the procedures being followed by the RTC. As I have repeatedly said, I have insisted that the RTC follow established procedures that are used in any other case when dealing with this matter.

9a

Question:

Are you typically briefed on specific PLS cases?

Answer:

- Not generally. But in this case I have received numerous inquiries from Members of Congress for information, which has required an understanding of the issues in order to adequately respond.

16511

Question:

Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC.

Answer:

- The Treasury General Counsel to my knowledge has not been active in the Madison matter.
- The RTC's General Counsel has been directing its efforts and has counseled me about the procedures being followed in the investigation.

Question:

What discussions on Madison have you had with Secretary Bentsen?

Answer:

- I have had three brief discussions with Secretary Bentsen on matters relating to Madison.
- I alerted him that there was a possibility of criminal referrals being made in late September.
- In early February I described to him the process that the RTC was undertaking in connection with its review of Madison in light of the then impending February 28 deadline, and that I had received congressional inquiries on whether I would recuse myself from the matter.
- I told him that I was reserving judgment on the recusal.
- Somewhat later I told him that I was not inclined toward a recusal.

Question:

Why did you have those conversations?

Answer:

- To give him a "heads up" so that he would not be caught by surprise if he was to receive inquiries on these matters as Chairman of the Oversight Board.

Question:

What has he said to you about the Madison investigation?

Answer:

- Nothing.

Question:

Do you mean that he said nothing during your conversations?

Answer:

- Only that he appreciated the "heads up".

Question:

Has the Justice Department told the RTC what it can and cannot tell the Congress in matters relating to Madison Guaranty?

Answer:

- I was advised the RTC had discussions with the Justice Department regarding the release of specific information contained in a criminal referral.
- The RTC regularly discusses such issues with Justice to ensure that RTC disclosure of information will not compromise any Justice investigation.

13a

Question:

Does Treasury have any documents relating to Vince Foster's death?

Answer:

- We recently received a Congressional request for such documents. Our search to date had identified several Bureau of Alcohol, Tobacco and Firearms and Secret Service documents.

Question:

What is the Department doing in response to that Congressional request?

Answer:

- We continue to search our files for responsive material. In addition, as you are aware, the jurisdiction of Independent Counsel Robert A. Fiske includes looking into the investigation of Mr. Foster's death. Accordingly, we have referred to the Independent Counsel the documents that we have located and have asked the views on whether they can be released.

Question:

- Why do those bureaus have documents related to the investigation of Mr. Foster's death?

Answer:

- ATF was asked by the Park Police to do laboratory analysis of physical evidence the Park Police had collected in their investigation of Mr. Foster's death. Secret Service generated documents in connection with their responsibility for physical security at the White House, including Mr. Foster's office.

13a (con't.)

Question:

Why don't you release them?

Answer:

- We have an obligation not to jeopardize an ongoing investigation. Although we believe that, at least a portion of them will not be relevant to the investigation, Mr. Fiske is conducting the investigation and it is his decision what documents can be released. We hope that he will give a prompt reply to our request that he make conclusions about these documents.

Question:

- Secretary Altman, has the RTC been in contact with the Independent Counsel Robert Fiske? Have you participated in these conversations?

Answer:

- I understand that there have been several telephone conversations with Mr. Fiske and his staff and RTC staff regarding various procedural matters.
  - I have not participated in any of those discussions.

Question:

Tell us about the documents which the RTC provided to Mr. Fiske.

Answer:

- The RTC is cooperating fully with the Independent Counsel. I am advised that in order to protect Mr. Fiske's investigation I should not comment on documents produced to him.

Question:

Who at the RTC has access to these documents?

Answer:

- I only know that the RTC's General Counsel has access. Beyond that I cannot comment.

Question:

What is the RTC doing to get those documents it has previously provided the Justice and Mr. Fiske back?

Answer:

- I understand that the RTC maintains copies of any documents in its possession which it has provided to the Independent Counsel.

Question:

Are there other documents which the RTC needs which it can't get?

Answer:

- The RTC is going to investigate the facts, and seek all documents which are relevant. Obviously it wants to make litigation decisions on the best information in existence and will do whatever is necessary in order to obtain the information it needs.

16a

Question:

Why shouldn't the investigation of Madison be done solely by the Independent Counsel appointed by the Attorney General instead of the RTC conducting its own investigation?

Answer:

- The RTC is required by law to maximize the recoveries of assets from failed institutions in RTC conservatorships or receiverships and the RTC is without authority to delegate its responsibilities in this matter.

Question:

Secretary Altman, has the RTC investigated the Rose Law firm and whether or not it correctly represented possible conflicts when soliciting business with the RTC?

Answer:

- I understand that the General Counsel received a report prepared by the RTC Office of Contractor Oversight. The report was presented to the FDIC during its investigation of the Rose Law Firm.

- With respect to the Office of Contractor Oversight report, the General Counsel has also advised me that the report does not contradict the information reviewed and the conclusions reached by the FDIC.

- The FDIC, as exclusive agent for the FSLIC, was the original conservator of Madison and as such, retained the Rose law firm not the RTC. As you know, the FDIC has investigated the circumstances arising out of that relationship and has released the report. Perhaps Acting Chairman Hove might like to briefly expand upon the report.

NOTE: **If questioned about other RTC institutions where the Rose Firm was hired -- We can get that for the record.**

18

Question:

Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater?

Answer:

- I only know what I read in the newspapers.

Question:

Why is the RTC refusing to provide information about Madison and Whitewater to this Committee?

Answer:

- To date the RTC has not received a request from the Committee and is cooperating to the fullest extent possible under the law with the investigations by individual Members of Congress.

16574

19a

Question:

Haven't you refused to provide specific information to members of the Committee and their staffs which they have advised you is extremely important to their carrying out of their duties? Why has the RTC taken the position that an individual Member of Congress only has the standing of an average citizen when making requests of the agency for information?

Answer:

- First, let me say that the RTC has attempted to cooperate as fully as possible under the law with document requests by individual Members of Congress.
- We have provided volumes of information to individual members of Congress regarding Madison Guaranty. We have sent 6,500 pages of material to Senator D'Amato and have been providing documents to Congressman Leach's staff since late December of last year for a total of 13,000 pages.
- The RTC has taken the position that requests for information from individual Members of Congress have the same standing as FOIA requests and are subject to the same exceptions. There is no credible legal theory or authority to the effect that the law is otherwise.
- Providing privileged information to an individual member of Congress would likely waive all applicable privileges and could result in other violations of law.
- RTC's position is consistent with that of other agencies and of the Department of Justice.
- We are most concerned that we not take steps which would impair the RTC's and the Independent Counsel's ability to carry out their responsibilities or violate relevant law.

16575

19a (con't.)

Question:

What are the problems with releasing all the requested documents to individual Members of Congress?

Answer:

- Absent a request from the Committee, the RTC is limited in what it can provide to individual Members of Congress in the following areas:
  - Information regarding the personal and corporate financial records in its possession;
  - Information relating to criminal investigations;
  - Information which is privileged; and,
  - Material relating to possible civil litigation.
- Release of these types of information to individual Members of Congress could jeopardize the governments's ability to bring and subsequently prosecute both civil and criminal matters.
- In addition, the release of certain information could be a violation of the Privacy and Trade Secrets Acts that in turn would lead to possible liability to the government official responsible for their release and to the government as well.

Question:

As a Committee member (Minority Member) and as participant in this hearing, I am formally requesting that you supply the material previously requested (by Rep. Leach/Sen. D'Amato).

Answer:

- As previously stated, it is the RTC's view that a request from an independent member of a committee does not constitute a request by the committee.
- The RTC is in something of an awkward position. Clarification really should be provided by the Committee as to whether a request during the hearing from an individual member constitutes a formal request by the Committee as part of this hearing.

NOTE: **You should be aware that the second response could antagonize Senator Riegle.**

21

Question:

As the Chairman of this Committee, I am requesting that the RTC provide the information requested to the majority and minority staffs of this Committee.

Answer:

- The Justice Department and the Independent Counsel, Mr. Fiske, has requested that with respect to Madison, the RTC make no information available about criminal referrals without its consent.
- The RTC, in addition to its obligations to comply with the law the RTC is deeply concerned about the provision of information which could have a negative impact on its investigation or litigation of any matter.
- I would also request on behalf of the RTC that appropriate safeguards be implemented after consultation with the staff of the Committee to protect the confidentiality of information and to preserve the privileged nature of any information which might be disclosed.
- Mr. Chairman, the RTC will respond as to its position on this request expeditiously after consultation with the Independent Counsel and the Justice Department.

Question:

Has the RTC applied this policy for all document requests by individual Members of Congress?

Answer:

- The RTC's policy with respect to this type of matter is a non-partisan one. The RTC has treated Democrats similarly to Republicans. The RTC has previously provided privileged information to Congressional Committees with safeguards such as a promise of confidentiality or under threat of subpoena which protects the agency from a claim that its privileges have been waived by disclosure to Congress. For example, the RTC has disclosed:
    - Information regarding Southwest Savings litigation requested by a majority member of the Senate Banking Committee. The information was disclosed only after the RTC received a [written] promise of confidentiality from the [Committee];
    - Information regarding HomeFed requested by the majority of the House Banking Committee. The Chairman of the Committee, in writing threatened to issue a subpoena for the requested material;
    - Information protected by the Privacy Act requested by a majority member of the House Subcommittee on Civil Service (Rep. Schroeder) was denied originally and released only after a promise of confidentiality by the Chairman of the Subcommittee.
- In the absence of such safeguards, the RTC would have to consider all its options in order to avoid jeopardizing its statutory obligations.

Question:

How many criminal referrals were made by the RTC relating to Madison? When were they made? Could you provide a copy of these referrals to the committee?

Answer:

- It is the policy of the RTC not to discuss criminal referrals on an institution specific basis;
    - All questions concerning criminal investigations should be directed to the Justice Department, and in the case of Madison Guaranty to Independent Counsel Robert Fiske.

Question:

What are the RTC processes for criminal referrals? What were the RTC processes which led to the decision in October to refer this to the Justice Department?

Answer: (ELLEN TO TAKE THIS QUESTION)

- It is standard RTC practice to review institutions for criminal activity sometimes even after the statute of limitations on civil claims has expired and to make criminal referrals where warranted. Those reviews are conducted in RTC field offices and referrals are made directly from the field offices to the appropriate U.S. Attorney's office.
- It is the policy of RTC Investigations to make criminal referrals where there is a reasonable basis to believe that a crime has been attempted or committed.

Question:

Were you told what names would be included in the referral?

Answer:

- Yes, I was told.

Question:

Who were they?

Answer:

- I cannot comment.

Question:

- What is the RTC doing to ensure that claims for which the statute of limitations has been extended are being investigated?

Answer:

- The RTC legal staff is in the process of establishing procedures that will identify potential cost effective claims that have been extended by the RTC Completion Act. Such procedures will include review of prior RTC actions and, in some cases, additional investigations. Since over 400 institutions are involved, the process will likely take some time and resources to complete.

16548

Question:

When did the RTC first turn its attention to Madison?

Answer: (ELLEN TO TAKE THIS QUESTION)

- The RTC became responsible for resolving Madison's affairs on August 9, 1989.
- Madison Guaranty Savings was declared insolvent and placed in conservatorship on February 28, 1989.
- The Federal Home Loan Bank appointed the Federal Savings and Loan Insurance Corporation ("FSLIC") to serve as Madison's conservator.
- By agreement between the FSLIC and the Federal Deposit Insurance Corporation ("FDIC"), the FDIC immediately became the Managing Agent for the Madison conservatorship.
- The FDIC managed the conservatorship until ("FIRREA") was signed into law on August 9, 1989.
- The FDIC remained the managing agent for the RTC until the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 became effective in December of 1991.

Question:

Who made the decision to put Madison into conservatorship?

Answer:

- The Federal Home Loan Bank Board.

16530

Question:

Tell us about the federal oversight of Madison before the collapse.

Answer:

Madison was regulated by the Federal Home Loan Bank Board, the predecessor agency to the Office of Thrift Supervision. I am not in a position to answer questions about regulation of Madison before its collapse.

Question:

Why was McDougal permitted to loot the institution the way he did?

Answer:

I have no specific information about the operation of Madison in the 1980's.

Question:

Wasn't that a dereliction of oversight? Who was responsible?

Answer:

- The RTC does not and did not regulate financial institutions and therefore I am not in a position to respond.

16553

Question:

- Do you think that the President and/or Mrs. Clinton have broken any laws in this matter?

Answer:

- In my role as Interim CEO of the RTC, it is inappropriate for me to speculate.

Question:

Have they acted in an ethical fashion?

Answer:

- As the interim CEO of the RTC I just cannot comment on this.

Question:

Aren't there, at the very least, appearances of impropriety on their part?

Answer:

- As Interim CEO of the RTC, it would be most inappropriate for me to comment.

Question:

What should be done if it is ultimately determined that laws were broken?

Answer:

- If the RTC's investigation determines that an individual or entity may have committed civil fraud, or intentional wrongdoing which resulted in substantial loss to the institution or unjust enrichment, then the RTC should do what is appropriate to recover from any such individual.
- As usual, any decision to seek a recovery must take into account the strength of the RTC's case and the cost effectiveness of any proposed litigation.

Question:

Has anyone at the RTC spoken to the President's attorney in this matter? Who has had that conversation?

Answer:

- I do not know.

Question:

Will the Oversight Board play any role at all in RTC decisions on Madison?

Answer:

- No.

90

Question:

Why did the RTC pay such huge fees, some as high as $600 an hour, to the law firm of Cravath, Swain & Moore?

Answer:

- This was done long before I arrived. I am not familiar with the specifics.

Madison/Whitewater

TABLE OF CONTENTS

I. RECUSAL

1. Why are you unwilling to recuse yourself? 1
1a. Won't your Vacancy Act appointment be extended by a nomination? . . . 1a
2. You still should recuse yourself. Why don't you? 2
3. Doesn't your relationship with the President and Mrs. Clinton require a recusal? Isn't there the appearance of a conflict of interest? 3
4. What conversations have you had with the White House on this matter? 4
5. Why did you brief the White House on those processes? 5
6. Are you a close friend of the Clintons? 6
6a. Ricki Tigert chose to recuse herself. You didn't. What's different about the two cases? 6a

II. TREASURY

7. Have you issued any instructions to RTC staff on this investigation? What were they? 7
8. Have other Treasury officials been involved in Madison discussions? 8
8a. Why did the Treasury people participate? 8a
9. What discussion with RTC staff have you personally had on Madison? 9
9a. Are you typically briefed on specific PLS cases? 9a
10. Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC 10
11. What discussions on Madison have you had with Secretary Bentsen? 11
12. What has he said to you about the Madison investigation? 12

III. CONTACTS WITH DOJ/FISKE

13. Has Justice told RTC what it can/cannot tell Congress regarding Madison? 13

13a. Does Treasury have any documents relating to Vincent Foster's death? What is the Department doing in response to congressional requests? Why do those Bureaus have documents related to the investigation of Mr. Foster's death? Why don't you release them? 13a
14. Has RTC been contacted by Independent Counsel Robert Fiske? Has Secretary Altman participated in these conversations? 14
15. Tell us about the documents which the RTC provided to Fiske. Who at RTC has access to these documents? 15
16. What is the RTC doing to get those documents back? Are there other documents which the RTC needs? 16
16a. Why shouldn't the investigation of Madison be done solely by the Independent Counsel instead of RTC? 16b

IV. ROSE LAW FIRM

17. Has RTC investigated the Rose Law Firm for conflicts? 17
18. Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater? 18

V. INFORMATION TO CONGRESS

19. Why is RTC refusing to provide documents to the Committee? 19
19a. Haven't you refused to provide documents to Committee Members? Why has RTC taken the position that individual Members of Congress have the standing of the average citizen? What are the problems with releasing documents to individual Members of Congress? 19a
20. As a Minority Member of this Committee, I'm requesting documents 20
21. As Chairman of the Committee, I'm requesting documents 21
22. Has RTC applied the policy for all document requests made by individual members? 22

VI. CRIMINAL REFERRALS

23. How many criminal referrals were made by RTC relating to Madison? When were they made? 23
24. What are the RTC processes for criminal referrals? What were the RTC processes which led to the decision in October to refer this to the Justice Department? 24
25. Who was involved in that decision? 25

VII. MADISON HISTORY

26. When did the RTC first turn its attention to Madison? 26
27. Who in the RTC was involved at the beginning? 27
28. When did the Madison matter first come to the attention of the RTC's Washington office? 28
29. Why wasn't a claim pursued before the statute of limitations lapsed? . . 29
30. Who made the decision to permit that? 30

VIII. MADISON INVESTIGATION

31. Why has it been five years since Madison failed and no civil actions have been filed, yet many criminal referrals were made? 31
32. . Has the RTC ever uncovered any ties between Madison and Whitewater, or Madison and the Clintons? 32
33. What would the RTC have done on Madison if the Feb. 28 deadline had not been extended? 33
34. What is the RTC doing at this very moment to reach a decision on a civil claim? 34
35. Who at the RTC is doing the work? 35
36. When will a decision be reached? 36
37. If the RTC were to file a claim in court against the Clintons, how would that work? What would the RTC seek, etc.? 37
38. In light of the problems with RTC PLS, why do you think that it can adequately investigate the Madison claims? 38

IX. EXTENSION OF STATUTE OF LIMITATIONS

39. Why did the Clinton Administration oppose a retroactive extension of the statute of limitations in the RTC Completion Act? 39
40. Did Madison Guaranty matters enter into that decision? 40
41. What is the RTC doing to ensure that claims for which the statute of limitations has been extended are being investigated? 41

X. PRIOR REGULATORY HISTORY

42. When did Madison Guaranty collapse? 42
43. Who made the decision to put Madison into conservatorship? 43
44. Tell us about the federal oversight of Madison before the collapse 44

45. Why was McDougal permitted to loot the institution the way he did? 45
46. Wasn't that a dereliction of oversight? Who was responsible? 46

XI. SPECULATION ON CLINTONS

47. Do you think that The President and/or Mrs. Clinton have broken any laws in this matter? 47
48. Have they acted in an ethical fashion? 48
49. Aren't there, at the very least, appearances of impropriety on their part? 49
50. What should be done if it is ultimately determined that laws were broken? 50
51. Has anyone at the RTC spoken to The President's attorney in this matter? Who has had that conversation? 51

XII. OVERSIGHT BOARD

52. Will the Oversight Board play any role at all in RTC decisions on Madison? 52

16594

Question:

Why are you unwilling to recuse yourself?

Answer:

- First, your obvious point is that I should not play any role in the RTC's eventual decision to pursue a civil claim, or not pursue one, in the Madison Guaranty matter. Well, I probably will not be doing so.

- My appointment as interim CEO under the Vacancy Act expires on March 30, 1994. I will have no role with the RTC beyond that date unless a nomination for permanent CEO has been sent to Congress. That is unlikely. Plus, the RTC General Counsel has advised me that any recommendations she makes on Madison Guaranty will not be formulated before that time. I will, therefore, most likely have no role in the RTC's decisions on the matter.

Question:

If the Administration were to submit a nomination to the Senate before your Vacancy Act appointment expires, will your appointment automatically be extended? If so, how can we be certain that you will not be the CEO when a decision is made?

Answer:

- It is correct that the submission of a nomination to the Senate would be extended the appointment. However, in my view it is very unlikely that a nomination will be formally submitted by the end of March.

Question:

But what if a nomination were submitted?

Answer:

- I would have to evaluate the situation. But, frankly, I think it is extremely unlikely.

Question:

You still should recuse yourself. Why don't you?

Answer:

- As I said, the point is probably moot. Most likely, I'll have no role in any RTC decisions on pursuing a civil claim in the Madison matter.
- Also, I consulted both with the relevant RTC ethics officer and with the relevant Treasury ethics officer.
- Both ethics officers advised me that there was no requirement for a recusal in this matter. The specific statutes and regulations involved do not define this as a case requiring recusal.
- Both ethics officers advised me that any decisions on recusal normally would be made when a matter is ready for decision. The Madison matter, as I've said, is not ready.

Question:

Doesn't your relationship with The President and Mrs. Clinton require a recusal? Isn't there the appearance of a conflict of interest?

Answer:

- First, as I said, I'll probably not be playing any role in this matter.
- Second, I'm playing no role whatsoever right now in the RTC's investigation of this case. I've seen no documents. I've had no conversations at all on where the investigation stands. I have no idea what recommendations the General Counsel will reach. They probably will be completed after I've left.
- Third, I might point out the RTC referred this matter to the Justice Department for possible criminal review last October. I was also interim CEO at that time.
- I was advised at that time that such a review was being conducted and that a decision on referral to Justice would be made.

Question:

Were you asked how it should be handled?

Answer:

- As certain Treasury and RTC officers will attest, I took the position that normal procedures should be followed. If such a decision on referral was typically made at the regional office level, my view was that it should be made that way in this matter.

Question:

What conversations/contacts have you had with The White House on this matter?

Answer:

- I've had one brief meeting and one incidental conversation. Approximately three weeks ago, Jean Hanson (Treasury General Counsel) and I requested a meeting with Mr. Nussbaum, White House Counsel.
- The purpose of the meeting was to describe the procedural reasons for the then impending February 28 deadline: Due to the Completion Act, the statute of limitations was retroactively reinstated for certain types of civil claims (those relating to fraud and certain claims relating to intentional misconduct); as it related to Madison Guaranty, it would expire the end of February. Finally, if the RTC were to determine that any such claims existed, the RTC would have to determine whether to seek a tolling agreement or commence litigation.
- We made clear that we had no idea at all what decision would be reached. I did say, however, that if I received a clear recommendation from the RTC's chief legal officer, I would follow it. I also said that I was reserving judgment on a recusal.
- We were only asked one question. Did the RTC intend to provide the same briefing on the RTC's processes to attorneys for the parties in interest. I said that I assumed so but would check with the RTC General Counsel.
- Jean Hanson did check and was told "in due course." I said "fine".

Question:

Why did you brief the White House on those processes?

Answer:

- Solely to ensure that they understood the legal, procedural framework within which the RTC was working. (If you recall, at that time the February 28 date was the subject of major attention in the Congress and the press.) It is not uncommon for meetings of this type to take place. The meeting could have taken place between the lawyers; this was simply a legal briefing with a larger audience.

Question:

Who else attended that meeting?

Answer:

- Mr. Ickes, Ms. Williams and one of Mr. Nussbaum's assistants.

Question:

Were there any other conversations at all?

Answer:

- The only other discussion -- which lasted about five minutes -- occurred later when I indicated that I was not inclined towards a recusal.

Question:

Has the White House attempted to influence your decision on these matters?

Answer:

- No. It is understood that the RTC must complete the task that it has been given and, of course, The White House respects the independence of the RTC.

Question:

Are you a close friend of the Clintons?

Answer:

- I know them well, yes.

Question:

Do you consider yourself a FOB?

Answer:

- Yes, as I understand that term to be used.

Question:

Do you think your relationship with The President should disqualify you from playing any role in Madison?

Answer:

- As I said, I probably won't be playing any role. If I were to play a role my answer would be no. When I was advised that a referral to Justice was likely, my position was that all the normal procedures should be followed. In that case, such decisions are often made by regional offices and my view was that nothing should be different.
- That would be my stance on Madison. If I received a clear recommendation on it from the chief legal officer, I'd follow it.
- I've never played favorites on sensitive matters, let alone one of this sensitivity, and I wouldn't do so here.

6 (con't.)

Question:

Have you attempted to influence the RTC's review of the Madison Guaranty matter or the outcome of its decision?

Answer:

- No.

Question:

Why did the Treasury General Counsel accompany you and not the RTC General Counsel?

Answer:

- **We discussed only the broad procedural framework of the statute of limitations issue and the presence of the RTC General Counsel was not necessary. No specifics were, or were intended to be discussed.**

6a

Question:

Ricki Tigert chose to recuse herself. You didn't. What's different about the two cases?

Answer:

- I can't comment about Ricki Tigert's decision. I haven't discussed it with her. I don't know the FDIC procedures which pertain to it. It's not my role to speculate on her decision.

Question:

Have you issued any instructions to RTC staff on this investigation? What were they?

Answer:

- I advised the Deputy CEO and the General Counsel of the RTC that I expected that all standard procedures would apply to the RTC's handling of this matter. Other than that, I have issued no instructions.

1E574

Question:

Have any other officials of the Treasury Department been involved in any discussions relating to the RTC's handling of Madison or related matters?

Answer:

- I and a very limited number of my Treasury staff have been briefed generally by RTC staff on a variety of issues related to the RTC's review of the Madison matter. Topics include:
    - RTC procedures related to document requests;
    - the causes of action that might be available to the RTC that fall within the extension of the statute of limitations contained in the RTC Completion Act;
    - the normal criteria applied by the RTC in seeking an Authority to Sue, tolling agreements with potential defendants, etc.; and,
    - the applicable statute of limitations and a chronology of the Madison matter beginning in 1989;
- No discussions of the actual decisions to be made by the RTC as to whether any claims exist and should be pursued against specific persons in connection with Madison have been held by me or other Treasury staff.

16575

8a

Question:

Why did the Treasury people participate?

Answer:

- From the outset of my appointment I involved a limited number of Treasury staff to provide support as necessary because there was no permanent General Counsel and no Deputy CEO, and more of my attention was required.

1E576

Question:

What discussion with RTC staff have you personally had on Madison?

Answer:

- **I have had some discussions with the Deputy CEO and General Counsel regarding the procedures being followed by the RTC. As I have repeatedly said, I have insisted that the RTC follow established procedures that are used in any other case when dealing with this matter.**

9a

Question:

Are you typically briefed on specific PLS cases?

Answer:

- Not generally. But in this case I have received numerous inquiries from Members of Congress for information, which has required an understanding of the issues in order to adequately respond.

16578

Question:

Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC.

Answer:

- The Treasury General Counsel to my knowledge has not been active in the Madison matter.
- The RTC's General Counsel has been directing its efforts and has counseled me about the procedures being followed in the investigation.

__Question__:

What discussions on Madison have you had with Secretary Bentsen?

__Answer:__

- I have had three brief discussions with Secretary Bentsen on matters relating to Madison.
- I alerted him that there was a possibility of criminal referrals being made in late September.
- In early February I described to him the process that the RTC was undertaking in connection with its review of Madison in light of the then impending February 28 deadline, and that I had received congressional inquiries on whether I would recuse myself from the matter.
- I told him that I was reserving judgment on the recusal.
- Somewhat later I told him that I was not inclined toward a recusal.

__Question__:

Why did you have those conversations?

__Answer__:

- To give him a "heads up" so that he would not be caught by surprise if he was to receive inquiries on these matters as Chairman of the Oversight Board.

Question:

What has he said to you about the Madison investigation?

Answer:

- Nothing.

Question:

Do you mean that he said nothing during your conversations?

Answer:

- Only that he appreciated the "heads up".

Question:

Has the Justice Department told the RTC what it can and cannot tell the Congress in matters relating to Madison Guaranty?

Answer:

- I was advised the RTC had discussions with the Justice Department regarding the release of specific information contained in a criminal referral.
- The RTC regularly discusses such issues with Justice to ensure that RTC disclosure of information will not compromise any Justice investigation.

13a

Question:

Does Treasury have any documents relating to Vince Foster's death?

Answer:

- We recently received a Congressional request for such documents. Our search to date had identified several Bureau of Alcohol, Tobacco and Firearms and Secret Service documents.

Question:

What is the Department doing in response to that Congressional request?

Answer:

- We continue to search our files for responsive material. In addition, as you are aware, the jurisdiction of Independent Counsel Robert A. Fiske includes looking into the investigation of Mr. Foster's death. Accordingly, we have referred to the Independent Counsel the documents that we have located and have asked the views on whether they can be released.

Question:

- Why do those bureaus have documents related to the investigation of Mr. Foster's death?

Answer:

- ATF was asked by the Park Police to do laboratory analysis of physical evidence the Park Police had collected in their investigation of Mr. Foster's death. Secret Service generated documents in connection with their responsibility for physical security at the White House, including Mr. Foster's office.

13a (con't.)

Question:

Why don't you release them?

Answer:

- We have an obligation not to jeopardize an ongoing investigation. Although we believe that, at least a portion of them will not be relevant to the investigation, Mr. Fiske is conducting the investigation and it is his decision what documents can be released. We hope that he will give a prompt reply to our request that he make conclusions about these documents.

Question:

- Secretary Altman, has the RTC been in contact with the Independent Counsel Robert Fiske? Have you participated in these conversations?

Answer:

- I understand that there have been several telephone conversations with Mr. Fiske and his staff and RTC staff regarding various procedural matters.
    - I have not participated in any of those discussions.

1E585

Question:

Tell us about the documents which the RTC provided to Mr. Fiske.

Answer:

- The RTC is cooperating fully with the Independent Counsel. I am advised that in order to protect Mr. Fiske's investigation I should not comment on documents produced to him.

Question:

Who at the RTC has access to these documents?

Answer:

- I only know that the RTC's General Counsel has access. Beyond that I cannot comment.

Question:

What is the RTC doing to get those documents it has previously provided the Justice and Mr. Fiske back?

Answer:

- I understand that the RTC maintains copies of any documents in its possession which it has provided to the Independent Counsel.

Question:

Are there other documents which the RTC needs which it can't get?

Answer:

- The RTC is going to investigate the facts, and seek all documents which are relevant. Obviously it wants to make litigation decisions on the best information in existence and will do whatever is necessary in order to obtain the information it needs.

16a

Question:

Why shouldn't the investigation of Madison be done solely by the Independent Counsel appointed by the Attorney General instead of the RTC conducting its own investigation?

Answer:

- The RTC is required by law to maximize the recoveries of assets from failed institutions in RTC conservatorships or receiverships and the RTC is without authority to delegate its responsibilities in this matter.

1E588

Question:

Secretary Altman, has the RTC investigated the Rose Law firm and whether or not it correctly represented possible conflicts when soliciting business with the RTC?

Answer:

- I understand that the General Counsel received a report prepared by the RTC Office of Contractor Oversight. The report was presented to the FDIC during its investigation of the Rose Law Firm.
- With respect to the Office of Contractor Oversight report, the General Counsel has also advised me that the report does not contradict the information reviewed and the conclusions reached by the FDIC.
- The FDIC, as exclusive agent for the FSLIC, was the original conservator of Madison and as such, retained the Rose law firm not the RTC. As you know, the FDIC has investigated the circumstances arising out of that relationship and has released the report. Perhaps Acting Chairman Hove might like to briefly expand upon the report.

NOTE: If questioned about other RTC institutions where the Rose Firm was hired -- We can get that for the record.

Question:

Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater?

Answer:

- I only know what I read in the newspapers.

Question:

Why is the RTC refusing to provide information about Madison and Whitewater to this Committee?

Answer:

- To date the RTC has not received a request from the Committee and is cooperating to the fullest extent possible under the law with the investigations by individual Members of Congress.

19a

Question:

Haven't you refused to provide specific information to members of the Committee and their staffs which they have advised you is extremely important to their carrying out of their duties? Why has the RTC taken the position that an individual Member of Congress only has the standing of an average citizen when making requests of the agency for information?

Answer:

- First, let me say that the RTC has attempted to cooperate as fully as possible under the law with document requests by individual Members of Congress.
- We have provided volumes of information to individual members of Congress regarding Madison Guaranty. We have sent 6,500 pages of material to Senator D'Amato and have been providing documents to Congressman Leach's staff since late December of last year for a total of 13,000 pages.
- The RTC has taken the position that requests for information from individual Members of Congress have the same standing as FOIA requests and are subject to the same exceptions. There is no credible legal theory or authority to the effect that the law is otherwise.
- Providing privileged information to an individual member of Congress would likely waive all applicable privileges and could result in other violations of law.
- RTC's position is consistent with that of other agencies and of the Department of Justice.
- We are most concerned that we not take steps which would impair the RTC's and the Independent Counsel's ability to carry out their responsibilities or violate relevant law.

19a (con't.)

Question:

What are the problems with releasing all the requested documents to individual Members of Congress?

Answer:

- Absent a request from the Committee, the RTC is limited in what it can provide to individual Members of Congress in the following areas:
    - Information regarding the personal and corporate financial records in its possession;
    - Information relating to criminal investigations;
    - Information which is privileged; and,
    - Material relating to possible civil litigation.
- Release of these types of information to individual Members of Congress could jeopardize the governments's ability to bring and subsequently prosecute both civil and criminal matters.
- In addition, the release of certain information could be a violation of the Privacy and Trade Secrets Acts that in turn would lead to possible liability to the government official responsible for their release and to the government as well.

Question:

As a Committee member (Minority Member) and as participant in this hearing, I am formally requesting that you supply the material previously requested (by Rep. Leach/Sen. D'Amato).

Answer:

- As previously stated, it is the RTC's view that a request from an independent member of a committee does not constitute a request by the committee.
- The RTC is in something of an awkward position. Clarification really should be provided by the Committee as to whether a request during the hearing from an individual member constitutes a formal request by the Committee as part of this hearing.

NOTE: You should be aware that the second response could antagonize Senator Riegle.

Question:

As the Chairman of this Committee, I am requesting that the RTC provide the information requested to the majority and minority staffs of this Committee.

Answer:

- The Justice Department and the Independent Counsel, Mr. Fiske, has requested that with respect to Madison, the RTC make no information available about criminal referrals without its consent.
- The RTC, in addition to its obligations to comply with the law the RTC is deeply concerned about the provision of information which could have a negative impact on its investigation or litigation of any matter.
- I would also request on behalf of the RTC that appropriate safeguards be implemented after consultation with the staff of the Committee to protect the confidentiality of information and to preserve the privileged nature of any information which might be disclosed.
- Mr. Chairman, the RTC will respond as to its position on this request expeditiously after consultation with the Independent Counsel and the Justice Department.

Question:

Has the RTC applied this policy for all document requests by individual Members of Congress?

Answer:

- The RTC's policy with respect to this type of matter is a non-partisan one. The RTC has treated Democrats similarly to Republicans. The RTC has previously provided privileged information to Congressional Committees with safeguards such as a promise of confidentiality or under threat of subpoena which protects the agency from a claim that its privileges have been waived by disclosure to Congress. For example, the RTC has disclosed:
    - Information regarding Southwest Savings litigation requested by a majority member of the Senate Banking Committee. The information was disclosed only after the RTC received a [written] promise of confidentiality from the [Committee];
    - Information regarding HomeFed requested by the majority of the House Banking Committee. The Chairman of the Committee, in writing threatened to issue a subpoena for the requested material;
    - Information protected by the Privacy Act requested by a majority member of the House Subcommittee on Civil Service (Rep. Schroeder) was denied originally and released only after a promise of confidentiality by the Chairman of the Subcommittee.
- In the absence of such safeguards, the RTC would have to consider all its options in order to avoid jeopardizing its statutory obligations.

Question:

How many criminal referrals were made by the RTC relating to Madison? When were they made? Could you provide a copy of these referrals to the committee?

Answer:

- It is the policy of the RTC not to discuss criminal referrals on an institution specific basis;
    - All questions concerning criminal investigations should be directed to the Justice Department, and in the case of Madison Guaranty to Independent Counsel Robert Fiske.

Question:

What are the RTC processes for criminal referrals? What were the RTC processes which led to the decision in October to refer this to the Justice Department?

Answer: (ELLEN TO TAKE THIS QUESTION)

- It is standard RTC practice to review institutions for criminal activity sometimes even after the statute of limitations on civil claims has expired and to make criminal referrals where warranted. Those reviews are conducted in RTC field offices and referrals are made directly from the field offices to the appropriate U.S. Attorney's office.

- It is the policy of RTC Investigations to make criminal referrals where there is a reasonable basis to believe that a crime has been attempted or committed.

Question:

Were you told what names would be included in the referral?

Answer:

- Yes, I was told.

Question:

Who were they?

Answer:

- I cannot comment.

Question:

Who was involved in that decision?

Answer:

- I am not sure. Normally, referrals are made by the Criminal Coordinator working for RTC's Investigations unit in the field office.

Question:

When did the RTC first turn its attention to Madison?

Answer: (ELLEN TO TAKE THIS QUESTION)

- The RTC became responsible for resolving Madison's affairs on August 9, 1989.
- Madison Guaranty Savings was declared insolvent and placed in conservatorship on February 28, 1989.
- The Federal Home Loan Bank appointed the Federal Savings and Loan Insurance Corporation ("FSLIC") to serve as Madison's conservator.
- By agreement between the FSLIC and the Federal Deposit Insurance Corporation ("FDIC"), the FDIC immediately became the Managing Agent for the Madison conservatorship.
- The FDIC managed the conservatorship until ("FIRREA") was signed into law on August 9, 1989.
- The FDIC remained the managing agent for the RTC until the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 became effective in December of 1991.

Question:

Who made the decision to put Madison into conservatorship?

Answer:

- The Federal Home Loan Bank Board.

Question:

Tell us about the federal oversight of Madison before the collapse.

Answer:

Madison was regulated by the Federal Home Loan Bank Board, the predecessor agency to the Office of Thrift Supervision. I am not in a position to answer questions about regulation of Madison before its collapse.

45

Question:

Why was McDougal permitted to loot the institution the way he did?

Answer:

I have no specific information about the operation of Madison in the 1980's.

Question:

Wasn't that a dereliction of oversight? Who was responsible?

Answer:

- The RTC does not and did not regulate financial institutions and therefore I am not in a position to respond.

Question:

- Do you think that the President and/or Mrs. Clinton have broken any laws in this matter?

Answer:

- In my role as Interim CEO of the RTC, it is inappropriate for me to speculate.

48

Question:

Have they acted in an ethical fashion?

Answer:

- As the interim CEO of the RTC I just cannot comment on this.

16572

Question:

Aren't there, at the very least, appearances of impropriety on their part?

Answer:

- As Interim CEO of the RTC, it would be most inappropriate for me to comment.

16573

Question:

What should be done if it is ultimately determined that laws were broken?

Answer:

- If the RTC's investigation determines that an individual or entity may have committed civil fraud, or intentional wrongdoing which resulted in substantial loss to the institution or unjust enrichment, then the RTC should do what is appropriate to recover from any such individual.
- As usual, any decision to seek a recovery must take into account the strength of the RTC's case and the cost effectiveness of any proposed litigation.

16574

51

Question:

Has anyone at the RTC spoken to the President's attorney in this matter? Who has had that conversation?

Answer:

- **I do not know.**

Question:

Will the Oversight Board play any role at all in RTC decisions on Madison?

Answer:

- No.

16526

⑧

Terry — Tom, Jim, me + you are pulling answers together on this. Can you write something on ㉜ + 17 + 18 (if you've been working on document retrieval. Jim is looking at the criminal questions) I'm looking at the old background stuff + Tom is writing the "policy" answers. Obviously, some of the answers have to be deflected to the OTS + Treasury (9, 10, 20-23, 2, 26, 27, 34)

April

R. Altman

Questions

1) When did Madison Guaranty collapse?

2) Tell us about the federal oversight of Madison before the collapse.

3) When did the RTC first turn its attention to Madison?
date – Closing Memo

4) Who in the RTC was involved at the beginning?

5) Has the RTC ever uncovered any ties between Madison and Whitewater, or Madison and the Clintons?

6) When did the Madison matter first come to the attention of the RTC's Washington office?

7) Why was the statue of limitations in this matter originally permitted to lapse?
Claim Closed / Based on Cost effectiveness ?/

8) Who made the decision to permit that?
Beatty + Ording

X 9) Why did the Clinton Administration oppose a retroactive extension of the statue of limitations in the RTC Completion Act?

X 10) Did Madison Guaranty matters enter into that decision?

11) Had Congress not just extended these limitations, what would the RTC have done on Madison before the Feb. 28 deadline?
Completing investigation after RTC Completion Act

I90

12) What were the internal RTC processes which led to the decision in October to refer this to the Justice Department?

13) Who was involved in that decision?
– RTC Investigations –

14) What is the RTC doing at this very moment to reach a decision on a civil claim?
Reviewing documents, checking assets bankruptcies

15) Who at the RTC is doing that work?
Inside Staff, Pillsbury

16) When will a decision be reached?
At completion of the investigation

17) Tell us about the documents which the RTC provided to Mr. Fiske.
[Terry / Pillsbury / Rose Firm Documents / empty files / K. City documents

18) What is the RTC doing to get those documents back?
RTC made copies of everything

19) How could the RTC make its decision without access to those documents?
Possibly could not

X 20) What discussion with RTC staff have you personally had on Madison?

X 21) What discussions on it have you had with Secretary Bentsen?

X 22) What has he said to you about the Madison investigation?

X 23) Have you issued any instructions to RTC staff on this investigation? What were they?

24) What is being done to safeguard the RTC documents on this case?
Locked Room in O.C.

[redacted] 25) Who made the decision to put Madison into conservatorship?
Bank Board

26) Why was McDougal permitted to loot the institution the way he did?
OTS / FSLIC

27) Wasn't that a dereliction of oversight? Who was responsible?

X 28) Do you think that the President and/or Mrs. Clinton have broken any laws in this matter?

29) Have they acted in an ethical fashion?

30) Aren't there, at the very least, appearances of impropriety on their part?
No

31) What should be done if it is ultimately determined that laws were broken?

Tom → 32) Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater? Recap. + Check w Tony

33) Has anyone at the RTC spoken to the President's attorney in this matter? Who has had that conversation? No

X 34) Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC.

35) Will the Oversight Board play any role at all in RTC decisions on Madison?
No

36) If the RTC were to file a claim in court against the Clintons, how would that work? What would the RTC seek, etc.?

R. Altman ⑨

Questions

1) When did Madison Guaranty collapse? 7 2/90

2) Tell us about the federal oversight of Madison before the collapse. > OTS

3) When did the RTC first turn its attention to Madison? FDIC ESC/L [illegible]

4) Who in the RTC was involved at the beginning? FDIC legal [illegible]. Not [illegible]

5) Has the RTC ever uncovered any ties between Madison and Whitewater, or Madison and the Clintons?

6) When did the Madison matter first come to the attention of the RTC's Washington office?

7) Why was the statute of limitations in this matter originally permitted to lapse?

8) Who made the decision to permit that?

9) Why did the Clinton Administration oppose a retroactive extension of the statue of limitations in the RTC Completion Act?

10) Did Madison Guaranty matters enter into that decision?

11) Had Congress not just extended these limitations, what would the RTC have done on Madison before the Feb. 28 deadline?

12) What were the internal RTC processes which led to the decision in October to refer this to the Justice Department?

13) Who was involved in that decision?

14) What is the RTC doing at this very moment to reach a decision on a civil claim?

15) Who at the RTC is doing that work?

16) When will a decision be reached? Can you make decision w/o information

17) Tell us about the documents which the RTC provided to Mr. Fiske.

18) What is the RTC doing to get those documents back?

19) How could the RTC make its decision without access to those documents?

Dallas wiretapping > Rose Law Firm.

X 20) What discussion with RTC staff have you personally had on Madison?

X 21) What discussions on it have you had with Secretary Bentsen?

X 22) What has he said to you about the Madison investigation?

X 23) Have you issued any instructions to RTC staff on this investigation? What were they?

24) What is being done to safeguard the RTC documents on this case?
Locked Room – O.C.

[redacted] 25) Who made the decision to put Madison into conservatorship?
Bank Board

26) Why was McDougal permitted to loot the institution the way he did?
OTS / FSLIC

27) Wasn't that a dereliction of oversight? Who was responsible?

X 28) Do you think that the President and/or Mrs. Clinton have broken any laws in this matter?

29) Have they acted in an unethical fashion?

30) Aren't there, at the very least, appearances of impropriety on their part?
No

31) What should be done if it is ultimately determined that laws were broken?

32) Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater? Recap. + Check w Tony

33) Has anyone at the RTC spoken to the President's attorney in this matter? Who has had that conversation? No

X 34) Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC.

35) Will the Oversight Board play any role at all in RTC decisions on Madison?
NO

36) If the RTC were to file a claim in court against the Clintons, how would that work? What would the RTC seek, etc.?

a:\altman

R. Altman (10)

Questions

1) When did Madison Guaranty collapse?

2) Tell us about the federal oversight of Madison before the collapse.

3) When did the RTC first turn its attention to Madison?

4) Who in the RTC was involved at the beginning?

5) Has the RTC ever uncovered any ties between Madison and Whitewater, or Madison and the Clintons? Only in the crim. referrals

6) When did the Madison matter first come to the attention of the RTC's Washington office? ? first referral & then 2d group

7) Why was the statute of limitations in this matter originally permitted to lapse?

8) Who made the decision to permit that? FDIC — who signed ?

9) Why did the Clinton Administration oppose a retroactive extension of the statute of limitations in the RTC Completion Act? No longer needed

can't
The

10) Did Madison Guaranty matters enter into that decision? no

11) Had Congress not just extended these limitations, what would the RTC have done on Madison before the Feb. 28 deadline? Concluded our invest / some
to it
opt

12) What were the internal RTC processes which led to the decision in October to refer this to the Justice Department? Crim referrals

13) Who was involved in that decision? ?

14) What is the RTC doing at this very moment to reach a decision on a civil claim?

15) Who at the RTC is doing that work?

16) When will a decision be reached?

17) Tell us about the documents which the RTC provided to Mr. Fiske.

18) What is the RTC doing to get those documents back?

19) How could the RTC make its decision without access to those documents?

20) What discussion with RTC staff have you personally had on Madison?

21) What discussions on it have you had with Secretary Bentsen?

22) What has he said to you about the Madison investigation?

23) Have you issued any instructions to RTC staff on this investigation? What were they?

24) What is being done to safeguard the RTC documents on this case?

25) Who made the decision to put Madison into conservatorship? FHLBB

26) Why was McDougal permitted to loot the institution the way he did? wk FSLIC

27) Wasn't that a dereliction of oversight? Who was responsible?

28) Do you think that the President and/or Mrs. Clinton have broken any laws in this matter?

29) Have they acted in an ethical fashion?

30) Aren't there, at the very least, appearances of impropriety on their part?

31) What should be done if it is ultimately determined that laws were broken?

32) Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater?

33) Has anyone at the RTC spoken to the President's attorney in this matter? Who has had that conversation? n.1

34) Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC.

35) Will the Oversight Board play any role at all in RTC decisions on Madison? no

36) If the RTC were to file a claim in court against the Clintons, how would that work? What would the RTC seek, etc.? ?

R. Altman
⑪

Questions

1) When did Madison Guaranty collapse?

2) Tell us about the federal oversight of Madison before the collapse.

3) When did the RTC first turn its attention to Madison?
[date — Closing Memo]

4) Who in the RTC was involved at the beginning?

5) Has the RTC ever uncovered any ties between Madison and Whitewater, or Madison and the Clintons?

6) When did the Madison matter first come to the attention of the RTC's Washington office?

7) Why was the statute of limitations in this matter originally permitted to lapse?
Claim Closed / Based on Cost effectiveness ?/

8) Who made the decision to permit that?
Beatty + Dudine

X 9) Why did the Clinton Administration oppose a retroactive extension of the statute of limitations in the RTC Completion Act?

X 10) Did Madison Guaranty matters enter into that decision?

11) Had Congress not just extended these limitations, what would the RTC have done on Madison before the Feb. 28 deadline?
Completing investigation after RTC Completion Act

Igo

12) What were the internal RTC processes which led to the decision in October to refer this to the Justice Department?

13) Who was involved in that decision?
— RTC Investigations —

14) What is the RTC doing at this very moment to reach a decision on a civil claim?
Reviewing documents, checking assets bankruptcies

15) Who at the RTC is doing that work?
Inside Staff, Pillsbury

16) When will a decision be reached?
At completion of the investigation

17) Tell us about the documents which the RTC provided to Mr. Fiske.
[Terry/ Pillsbury/ Rose Firm Documents / [illegible] / K. City document

18) What is the RTC doing to get those documents back?
RTC made copies of everything

19) How could the RTC make its decision without access to those documents?
Possibly could not

20) What discussion with RTC staff have you personally had on Madison?

21) What discussions on it have you had with Secretary Bentsen? No discussion

22) What has he said to you about the Madison investigation?

23) Have you issued any instructions to RTC staff on this investigation? What were they? Not anything.

24) What is being done to safeguard the RTC documents on this case? Say - [illegible] [illegible]

25) Who made the decision to put Madison into conservatorship?

26) Why was McDougal permitted to loot the institution the way he did? Background FHLBB

27) Wasn't that a dereliction of oversight? Who was responsible?

28) Do you think that the President and/or Mrs. Clinton have broken any laws in this matter?

29) Have they acted in an ethical fashion?

30) Aren't there, at the very least, appearances of impropriety on their part?

31) What should be done if it is ultimately determined that laws were broken?

32) Are you aware of the connections between the Rose Law Firm and Madison and/or Whitewater? [illegible]

33) Has anyone at the RTC spoken to the President's attorney in this matter? Who has had that conversation? professional procedures.

34) Why has the Treasury General Counsel been so active in this whole matter? She has no responsibilities at the RTC. She has them.

35) Will the Oversight Board play any role at all in RTC decisions on Madison? No

36) If the RTC were to file a claim in court against the Clinton, how would that work? What would the RTC seek, etc.?

I don't know - I have been very [illegible] when subpoena process are issued. Even then are you not apprised of these matters. The only way they can be politicized.

How what is the way.

DRAFT

MEMORANDUM FOR DEPUTY SECRETARY ALTMAN

FROM: JEAN E. HANSON

SUBJECT: Conversation with Peter Knight

Peter Knight had not had an opportunity to prepare a chronology of RTC contacts with Senator D'Amato's staff. However, he gave me the following information which I am asking him to confirm.

Monday, January 24, 1994

- Peter Knight was contacted by Senator D'Amato's staff to discuss the Madison Guaranty situation. A meeting was requested with the heads of PLS and investigations; that was declined. This was the first contact from D'Amato's staff on Madison Guaranty.

- Later that day, Jack Ryan and Peter Knight met with Senator D'Amato's staff as requested.

    - D'Amato's staff present were: Howard Munnell, staff director; Ray Natter, general counsel; and Doug Nappi.

    - The discussion focused on document production, *i.e.*, what the RTC believed could and could not be provided.

    - There were also a discussion of the statute of limitations on Madison Guaranty and when it was expected to expire. Ray Natter suggested that the statute of limitations would not expire until August 1994. He was told the RTC would look into that and discuss it further with him.

- Later that week (Wednesday - Friday, January 26-28)

    - Peter Knight held a conference call with Mark Gabrellian of the RTC legal staff and Ray Natter to discuss the expiration of the statute of limitations. After discussing the legal issues, Mr. Natter agreed that the statute of limitation on Madison Guaranty would expire prior to August. The exact date of the expiration had a three day time span (2/28 - 3/2) because of historical actions in connection with

DRAFT

Madison Guaranty's takeover. February 28 was the most conservative date (and therefore most cautious, from the RTC's point of view).

- Later that week (Wednesday - Friday, January 26-28) or the following Monday, January 31.
  - Peter Knight, Jack Benkley and Casey Carter met with Senator D'Amato's staff to discuss the general process of document production.

To: Ben Nye Draft

From: Peter E. Knight

Re: Memorandum relating to meetings with Congressional offices relating to Madison Guaranty

Date: March 3, 1994

Attached to this memorandum is a list of meetings with Congressional staff relating to Madison. The meetings with Rep. Leach's staff dealt with document requests, and the RTC's parameters in dealing with requests from an individual member of Congress.

The January 24 meeting with Senator D'Amato's staff is covered accurately in Jean Hanson's draft memorandum to Deputy Secretary Altman, but, after discussing this with Jack Ryan, I believe the following points should be added to put it in perspective.

The meeting with the Senator's staff dealt primarily with how the RTC would handle the Senator's investigation and any resulting document requests. It is common practice at the RTC to have such a meeting with congressional staff as it is embarking on an investigation of RTC-related matters. We made the point that his requests would be treated as a request from an individual Senator, and not as an official Committee investigation. Within in the course of this discussion, we covered such concerns as not violating the Privacy Act, not compromising pending civil or criminal matters. I would not characterize the meeting as a briefing on the status of the Madison civil investigation.

cc: Jack Ryan
Ellen Kulka

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

March 3, 1994

MEMORANDUM TO: Peter Knight

MEMORANDUM FROM: Casey Carter CMC

SUBJECT: Meetings with Congressional Offices
Regarding Madison Guaranty

The RTC has had the following meetings with congressional offices relating to Madison Guaranty Savings and Loan as of March 3, 1994. These discussions primarily involved broad or specific document requests.

Date	Cong. Office	Cong. Staff	RTC Staff
December 23, 1993	Cong. Leach	Tony Cole Joe Seidel John Scharfenberg Margo Tank	Peter Knight Bill Collishaw Casey Carter
December 27, 1993	Cong. Leach	Joe Seidel	Peter Knight Casey Carter
December 30, 1993	Cong. Leach	Mike McGarry	Bowen Hinton
January 5, 1994	Cong. Leach	Joe Seidel John Scharfenberg Mike McGarry Margo Tank	Peter Knight Carl Gamble Jack Binkley Phil Lindermuth Steve Primrose
January 24, 1994	Sen. D'Amato	Howard Mennell	Jack Ryan Peter Knight
January 31, 1994	Sen. D'Amato	Doug Nappi	Peter Knight Jack Binkley Casey Carter Steve Primrose
February 28, 1994	Cong. Leach	Joe Seidel Mike McGarry John Scharfenberg	Peter Knight Tom Hindes

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

March 18, 1994

Mr. Roger C. Altman
Interim CEO
Resolution Trust Corporation
801 17th Street, N.W.
Washington, D.C. 20434

Dear Roger:

Your letter to Jack Ryan on March 16, 1994 requested that he be prepared to respond to questions regarding the RTC and Madison Guaranty. I am enclosing the only "Q & A" for you with respect to Madison which is being prepared here. I am sure it reflects your understanding that questions concerning advice given anyone at the RTC concerning Madison by me or my staff, or discussions held between RTC officers or employees and members of the legal staff, are subject to the attorney-client privilege. As a result of your recusal, and your March 16 letter, we have prepared the enclosed response for you which states that Jack will respond to questions regarding any waiver of privilege with respect to Madison.

Sincerely,

Ellen B Kulka

Ellen B. Kulka
General Counsel

Enclosure

cc: J. Ryan
A. Kusinski

801 17th Street, N.W. Washington, D.C. 20434

Question:

Please describe to the Committee what if any legal advice you have received either from the RTC's General Counsel or other attorneys within the RTC on Madison Guaranty.

Answer:

As you know, I have recused myself from all matters related to Madison Guaranty. I have been advised that because of my recusal I am not the appropriate person to make a determination on behalf of the RTC as to whether the agency should waive its privileges associated with this issue. Instead, I have been informed that John Ryan, the Deputy Chief Executive Officer, is the appropriate party to make that determination.

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 4, 1994

MEMORANDUM TO THE FILE

FROM: Ellen B. Kulka
General Counsel

SUBJECT: Madison S&L

These are the talking points for anyone authorized to discuss the Madison situation. Additional information should not be supplied unless it has been properly approved. While this is standard procedure, anyone authorized to speak should be aware that the discussions of any additional information could have an impact on the agency's legal position in any matters arising out of Madison.

Attachment

cc: Altman
Hanson
Ryan
Dudine
Katsanos
Knight
Hindes

801 17th Street, N.W. Washington, D.C. 20434

MADISON GUARANTY SAVINGS ASSOCIATION

TALKING POINTS

1. On February 28, 1989 Madison Guaranty was placed into conservatorship with the FDIC as managing agent for the FSLIC.

2. The FDIC was responsible for managing S&L's that failed in 1989 until this function was transferred to the RTC upon its creation on August 9, 1989.

3. Congress decided that the statute of limitations in FIRREA did not provide enough time to address all potential claims.

4. With the enactment of the RTC Completion Act on December 17, 1993, the statute of limitations within which suit could be brought for certain kinds of claims was extended for an additional two-year period from the date when it had already expired.

5. The claims to which the reopened statute of limitations apply are for civil fraud and intentional misconduct.

6. Upon the enactment of the Completion Act, the RTC began reviewing institutions including Madison in situations where the reopened statute of limitations would expire shortly.

7. In the case of Madison, if such claims do exist the RTC will vigorously pursue all appropriate remedies, with full awareness of the limited period available.

8. The RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

---

a. On January 21, the RTC received a letter dated January 10 addressed to Interim CEO Altman (signed by Senators Dole, D'Amato, Pressler and Representatives Leach, Fish Michel, Clinger and Myers) that asked for response to an attached letter dated January 11 regarding tolling agreements.

b. On January 25, Interim CEO Altman received a letter from Senator D'Amato asking about what actions the RTC has taken "to ensure that the applicable statute will not expire."

c. The RTC responded on February 1. The response stated that review of potential civil claims is underway and that, if such claims do exist, RTC will vigorously pursue all appropriate remedies using standard procedures.

February 4, 1994

RTC
RESOLUTION TRUST CORPORATION
Resolving the Crisis
Restoring the Confidence

February 25, 1994

MEMORANDUM

TO: JOHN E. RYAN, DEPUTY CHIEF EXECUTIVE OFFICER
ELLEN KULKA, GENERAL COUNSEL
ARTHUR KUSINSKI, ETHICS OFFICER

FROM: ROGER C. ALTMAN
INTERIM CHIEF EXECUTIVE OFFICER

SUBJECT: Recusal Notice -- Madison Guaranty Savings and Loan

This is to notify you that effective immediately I recuse myself from all matters relating to Madison Guaranty Savings and Loan. All such matters, should they arise, should be referred to Mr. Ryan for resolution or appropriate handling. I hereby delegate to him or his designee full authority to act on such matters.

cc: John M. Buckley, Secretary, OSEC

Original to Art Kusinski.

801 17th Street, NW Washington, DC 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 25, 1994

MEMORANDUM

TO: JOHN E. RYAN, DEPUTY CHIEF EXECUTIVE OFFICER
ELLEN KULKA, GENERAL COUNSEL
ARTHUR KUSINSKI, ETHICS OFFICER

FROM: ROGER C. ALTMAN
INTERIM CHIEF EXECUTIVE OFFICER

SUBJECT: Recusal Notice -- Madison Guaranty Savings and Loan

This is to notify you that effective immediately I recuse myself from all matters relating to Madison Guaranty Savings and Loan. All such matters, should they arise, should be referred to Mr. Ryan for resolution or appropriate handling. I hereby delegate to him or his designee full authority to act on such matters.

cc: John M. Buckley, Secretary, OSEC

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 18, 1994

MEMORANDUM TO: Roger C. Altman
Interim Chief Executive Officer

FROM: Arthur J. Kusinski
Ethics Officer
and
Designated Agency Ethics Official

SUBJECT: RTC Madison Guaranty Matters

SUMMARY:

You have sought advice from your RTC ethics counselor as to whether your longstanding personal relationship with the President gives rise to a legal obligation to recuse yourself from matters that may come before the RTC that may affect financial interests of the President or his family. I have carefully considered your inquiry, and conclude that the decision whether to participate in such matters is not mandated by ethics statues or regulations. Thus, you have the discretion to participate or not, as you determine to be appropriate. I note, however, that it is not necessary for you to decide whether to participate in any particular matter until such time as the matter comes before you.

DISCUSSION:

The only ethics statute or regulation which is relevant to your request for advice is 5 CFR 2635.502 ("section 502"), which is entitled "Personal and Business Relationships". That provision encourages an official who has a relationship with a person who is a party to a Government matter in which the official is called upon to act, and is concerned that the relationship would raise an issue of impartiality, to contact the agency's ethics officials. You have done so.

Ethics officials then must determine whether your relationship with the President is a "covered relationship" as that term is defined by 5 CFR 2635.502(b)(1). Officials have a "covered relationship" with: (1) a "person" with whom the official has or seeks a business, contractual or other financial relationship; (2) a member of their household or a relative with whom they have a close personal relationship; (3) a "person" with whom certain of the official's relatives has or seeks employment or similar relationships; (4) a "person" for whom the official has served as an employee, attorney or in a similar capacity within the last year; and (5) an organization other than a political party in which the official is an active participant such as a chairman of one of the organization's committees. For purposes of these regulations, the term "person" does not include the Federal Government and/or officials of the Federal Government acting in their official capacities. 5 CFR 2635.102(k). You clearly have none of these relationships with the President, and therefore you are not in a "covered relationship" with him. As the section 502 regulation operates, only "covered relationships" standing alone raise questions of appearances of loss of impartiality as a statutory or regulatory matter.

In considering your request for advice, I am aware that your only relationship with the President is one that would be fairly characterized as a longstanding personal friendship. However, you and the President do not now and have not in the past participated together in business or financial transactions[1]. While a personal relationship such as yours with the President is a factor to be considered (along with others) in deciding whether the circumstances raise a question as to your impartiality in a matter that may affect the President's interests, standing alone it is not determinative. In its Preamble to the publication of the final Executive branch standards of conduct regulations, OGE specifically considered whether a "close personal friendship," standing alone, should be considered a "covered relationship," and decided that it should not. 57 FR 35026 (1993).

I have consulted with the Office of Government Ethics concerning this issue. OGE believes that your decision, as to whether to participate in an RTC matter that may affect a financial interest of the President, is not a matter that is mandated by ethics statutes and regulations. OGE also believes that the ethics advice I provided to you in these circumstances is within the discretion of the ethics official of the affected agency; and that the decision whether to participate in RTC matters that may involve the interests of the President is within your discretion. I have also consulted with the Designated Agency Ethics Official at the Department of the Treasury who concurs with me in this analysis.

---

[1] Title 18 U.S. Code, section 208 prevents an official from participating for the Government in a matter affecting a financial interest of the official or certain other persons and organizations. You have neither a personal financial interest in the matters before the RTC nor a relationship with the President (who may have such an interest) of the kind that is relevant for purposes of 18 U.S.C. 208. Section 208 would impute to you the financial interest of the President only if he were your general partner or a person with whom you were negotiating or had an arrangement for prospective employment. Thus, that provision does not create any bar to your participation in the RTC's decisions concerning those matters.

In summary, it is my opinion that there is no legal reason to preclude you from acting on such matters. Regardless of whether you decide to recuse yourself, there will be no legal objection to that decision.

RECOMMENDATION:

In deciding whether to recuse yourself, I recommend that you consider certain factors in making your decision. Certainly, you should take into consideration your longstanding personal relationship with the President. You should also consider the nature and importance of your role as the RTC's CEO in the Madison matter; the sensitivity of this matter; the difficulty in assigning this matter to another individual at the RTC; the likelihood that a reasonable person with full knowledge of the facts would question your impartiality; and the effect that this matter may have upon the President's financial interests. This listing is not exclusive, and you may have other factors which you may want to consider as well. That is within your discretion. In considering these factors, I of course stand ready to advise you if you should so desire.

Finally, the regulations do not require government officials to recuse themselves from actions which are not specifically before them. Therefore, you may wish to defer a decision on your recusal until such time as a particular aspect of the Madison Guaranty matter is presented to you for consideration or decision.[2]

---

[2] I understand that the statute of limitations may be extended.

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

DRAFT - NOT SENT

March 8, 1994

The Honorable Donald Riegle
United States Senate
105 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Riegle:

When I testified before your Committee twelve days ago, I was asked about contacts with White House personnel on any aspect of the Madison Guaranty matter. I cited one meeting which addressed only generic RTC procedures which would have applied to any case involving a statue of limitations. There was no substantative discussion of the case itself. Indeed, that would have been impossible because I know nothing of the substance of the case. I've never received a single document or a word of briefing on it.

For obvious reasons, I have been reviewing all my files and other information which could possibly pertain to this matter. I would like to amend the record to reflect one additional contact. One or two days after my meeting, there was a brief discussion on the issue of recusal. There was no discussion whatsoever of the case itself. The conversation lasted five minutes or less and included me and Harold Ickes of the White House staff. There may have been one or two others in the room, but I cannot recall.

I am sending this letter immediately to be sure that the record is as complete as possible.

Sincerely,

Roger C. Altman

[illegible]

March 11, 1994

Actual letter
was sent

The Honorable Donald Riegle
United States Senate
105 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Riegle:

When I testified before your Committee twelve days ago, I was asked about contacts with White House personnel on any aspect of the Madison Guaranty matter. I cited one meeting which addressed only generic RTC procedures which would have applied to any case involving a statue of limitations. There was no substantive discussion of the case itself. Indeed, that would have been impossible because I know nothing of the substance of the case. I've never received a single document or a word of briefing on it.

For obvious reasons, I have been reviewing all my files and other information which could possibly pertain to this matter. I would like to amend the record to reflect one additional contact. One or two days after my meeting, there was a very brief discussion on the issue of recusal. There was no discussion whatsoever of the case itself. The conversation lasted five minutes or less and included me and Harold Ickes of the White House staff. There may have been one or two others in the room, but I cannot recall.

The purpose of both meetings was to provide notification. At neither meeting did I seek advice, nor was it given.

I am sending this letter immediately to be sure that the record is as complete as possible.

Sincerely,

Roger C. Altman

AL 495

DRAFT - NOT SENT

March 15, 1994

The Honorable Donald Riegle
United States Senate
105 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Riegle:

I have been reviewing documents and meeting with Counsel for the purpose of providing information to the Special Prosecutor on the Madison Guaranty matter. Every contact, regardless of triviality, is being reviewed.

In my testimony, I referred to one substantive contact, and, upon review, that is still my view. But, I want to be sure that you and the Committee know every last bit of information on the question of incidental contacts. There are three points which should be added, then, to the information already provided.

First, I previously discussed with you and the Committee the substantive contact, i.e. my meeting at the White House on February 2, 1994. It related solely to procedural issues which pertain to any RTC case. There was not, and could not have been, any discussion on the substance of the case. That's because I've never received a word of information on its status, or that of any other RTC case. Any implication that the White House received information on any substantive aspect of the case is false.

At the conclusion of that meeting, I notified those in attendance that I was weighing the issue of recusal. No advice was sought.

Second, a few days later, in a brief telephone call, I notified Mr. McLarty to the same effect.

Finally, the night before my testimony of February 24, I notified Mr. Ickes of my intention to step down as interim Chief Executive of the RTC on March 30, 1994. That was then announced the following morning before your Committee. My recusal was announced the next day.

At this point, every contact which anyone can remember with the White House, prior to my February 24 testimony, has been disclosed.

Sincerely,

Roger C. Altman

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

March 21, 1994

The Honorable Donald Riegle
United States Senate
105 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Riegle:

I have been continuing an exhaustive review of all my files, phone logs and other information, with the assistance of Counsel. Every contact, regardless of significance, is being reviewed. As you may know, I generally attend meetings in the White House three or more times a day, and am on the telephone with White House staff even more often. It is difficult to recall every brief encounter. But, I would like to add to the record.

In my testimony, I referred to one substantive communication, and, upon further review, that is still my view. The meeting at the White House on February 2 related to procedural issues which pertain to any RTC claim or case. There was not, and could not have been, any discussion on the substance of the case. I never had any information on it, or any other RTC case.

Before that meeting ended, I also informed those in attendance that I was weighing the issue of recusal. A few days after that meeting, I spoke with Mr. McLarty briefly on the telephone with the same message. As you know, on February 25, I decided to recuse myself and did so.

The night before my February 24 testimony, I informed Mr. Ickes by phone that I would announce that I was stepping down from the RTC the next morning. That was, indeed, announced on schedule. Also, around the same time, I literally bumped into Mr. Nussbaum in a White House corridor. He told me that the Administration would soon be submitting its nominee for permanent RTC head.

I have done my best to recall every communication with White House staff on anything which could be connected to this matter. I hope that this is helpful.

Sincerely,

Roger C. Altman

1/31/94 Jean Hanson
10AM – Roger Altman

Booker
$500,00 [illegible]

Call Carolyn Huber

Altman

Kalomas Talking pts re Altman letter to D'Amato

February 18, 1994

The Honorable James A. Leach
U.S. House of Representatives

Dear Mr. Leach:

In your letter to him of February 3, 1994, you asked Deputy Secretary Altman to seek advice from "Treasury's General Counsel and Ethics Office" as to whether he is obligated to recuse himself from decisions concerning the Resolution Trust Corporation's resolution of Madison Guaranty Savings and Loan Association. He has sought such advice from me and from ethics officials of the Resolution Trust Corporation.

I understand you to express concern about the possibility that the Deputy Secretary might, as acting Chief Executive Officer of the Resolution Trust Corporation pursuant to the Vacancy Act, 5 U.S.C. 3347, participate in RTC decisions as to whether there are civil claims for RTC to pursue arising from the failure of Madison Guaranty Savings and Loan Association and the expiration of statutes of limitation applicable to any such claims. Your concern seems to stem from the fact that decisions regarding those claims "may touch upon the President" who appointed the Deputy Secretary to his Treasury position. You asked the Deputy Secretary to seek advice from Treasury's General Counsel as to whether he is "obligated to recuse (himself) from any decisions concerning the resolution of Madison Guaranty." We have advised the Deputy Secretary that neither his appointment at Treasury nor his detail to the RTC creates such an obligation.

Your letter suggests that the Deputy Secretary's participation in such decisions would be "structurally unseemly," a conclusion apparently based on the fact that he was appointed by the President and confirmed for a position in a Cabinet department and is acting in a position in an Executive agency that is not such a department. However, the authority pursuant to which the Deputy Secretary is detailed to RTC duties was amended in 1988 precisely so that any Executive agency, such as the RTC, and not just Cabinet departments, could continue to have Presidentially-appointed leadership when circumstances delay filling vacant positions. Pub.L. 100-398, §7(a)(1) and (2), Aug. 17, 1988, 102 Stat. 988.

You also suggest that a structural issue arises from RTC's "public law enforcement responsibilities;" that it would be improper for a Presidential appointee not confirmed for a position at the RTC to exercise those responsibilities. As a preliminary matter, the responsibility to pursue civil claims is in no special sense a "law enforcement" responsibility. In fact, it is explicitly the responsibility of the head of every

Executive agency to collect claims of the United States that arise from the agency's activities or are referred to it. 31 U.S.C. 3711. Because the Deputy Secretary has similar claims collection responsibilities at Treasury and at the RTC, I can see no "structural" concern regarding his performance of those responsibilities at the RTC.

Even if the RTC were in some special sense a "law enforcement" agency, absent an exception in the Vacancy Act or another statutory provision creating an exception, the Vacancy Act authorizes filling vacant positions at any "Executive agency (other than the General Accounting Office)." The language of the Act does not distinguish among agencies based on the nature of their functions. Moreover, it would be incorrect to infer the existence of such distinctions. In the one instance of an exception created by the Vacancy Act, Congress has employed language that clearly achieves that objective. The Act expressly provides that its authority to detail Presidential appointees from other agencies does not apply to vacancies in the office of the Attorney General; neither the Vacancy Act nor any other law creates such an exception for the RTC.

Finally, even if there were some basis for reading into the Vacancy Act a principle that only an official confirmed for a position in an agency with law enforcement responsibilities should be detailed to another such agency, that would in no way suggest that the Deputy Secretary of the Treasury should not perform law enforcement functions at the RTC. Treasury has enormous criminal law enforcement responsibilities, a conclusion amply demonstrated by the significant law enforcement jurisdictions of the Bureau of Alcohol, Tobacco and Firearms, the Customs Service, the Secret Service and the Internal Revenue Service. Each of those organizations reports through its chain of command to the Deputy Secretary of the Treasury.

You also suggested that Deputy Secretary Altman consult ethics officials. He has done so. I am informed that the RTC's Ethics Officer has advised the Deputy Secretary that he is under no legal obligation to recuse himself from matters at the RTC that may touch upon the President. Finally, the Ethics Officer has expressed the view that it may not be necessary to decide whether to participate in such a matter now.

I trust this letter fully addresses your concerns.

Sincerely,

Jean E. Hanson
General Counsel

To: Roger C. Altman

From: Peter E. Knight

Re: D'Amato Correspondence

Date: February 23, 1994

Attached are the RTC responses to incoming requests for information from Senator D'Amato. The incoming letter from the Senator is follows each response.

At this time three items requested by the Senator are outstanding:

> A chronology of the RTC's involvement with Madison.
>
> "A copy of any review that the RTC prepared, or had prepared, pertaining to potential conflicts-of-interest that may have existed in connection with the Rose Law Firm and Madison Guaranty".
>
> A response to the letter signed by Senator D'Amato and forty other Republican Senators questioning the RTC's actions with respect to civil litigation (two drafts attached).

Attachments

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

The Honorable Lauch Faircloth
United States Senate
Washington, D.C. 20510

Dear Senator Faircloth,

This is in response to your letter of February 8, 1994 concerning the RTC's efforts relating to possible civil litigation resulting from the failure of Madison Guaranty.

Your letter makes the statement that, "The RTC's inaction on the civil side is ....disturbing." I want to reiterate what I said in my letter of February 1, 1994, which is that the RTC "is conducting a thorough review of the failure of Madison." While your letter characterizes this as a "general response", I must point out that it is inappropriate for me to address at this time any specifics relating to this matter.

It is standard operating procedure not to discuss any matter relating to the review of potential civil claims of any institution. While it would be inappropriate for me to provide any information relating to the status of our review at this point, I can assure you that the RTC is prepared to make a full public accounting of the handling of civil matters under the purview of the RTC when it is appropriate to do so.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

The Honorable Lauch Faircloth
United States Senate
Washington, D.C. 20510

Dear Senator Faircloth,

This is in response to your letter of February 8, 1994 concerning the RTC's efforts relating to possible civil litigation resulting from the failure of Madison Guaranty.

Your letter makes the statement that, "The RTC's inaction on the civil side is ....disturbing." I want to reiterate what I said in my letter of February 1, 1994, which is that the RTC "is conducting a thorough review of the failure of Madison." While your letter characterizes this as a "general response", I must point out that it is inappropriate for me to address at this time any specifics relating to this matter.

It is standard operating procedure not to discuss any matter relating to the review of potential civil claims of any institution. While it would be inappropriate for me to provide any information relating to the status of our review at this point, I can assure you that the RTC is prepared to make a full public accounting of the handling of civil matters under the purview of the RTC when it is appropriate to do so.

Sincerely,

John E. Ryan
Deputy CEO

801 17th Street, N.W. Washington, D.C. 20434

DONALD W. RIEGLE, JR., MICHIGAN, CHAIRMAN
PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON
ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH, JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 8, 1994

Mr. Roger Altman
President Interim and
Chief Executive Officer
Resolution Trust Corporation
801 17th Street N.W.,
Washington, D.C. 20434

Dear Mr. Altman:

The RTC has acknowledged that the statute of limitations for any civil action arising from the failure of Madison Guaranty will run out on February 28. After February 28, the RTC will not be able to recover any more of the $47 million the taxpayers were forced to pay to close Madison.

The RTC took over Madison in 1989. Presumably, the RTC has thorough knowledge of the institution, the reasons for its failures and the individuals and activities that contributed to its demise. The RTC made a criminal referral to the Justice Department perhaps as early as October, 1992 based on its extensive information and investigation.

The RTC's inaction on the civil side is therefore even more disturbing. With the civil statute of limitations about to run out, the RTC must take action immediately. Unless the RTC takes actions, the rights of the American people to justice and financial recovery will be forfeited to a legal technicality.

Your February 1 letter offered assurances "that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison." Moreover, you stated that the RTC "will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations."

Beyond this general response, we are seeking specific answers to the following questions:

◆ What is the RTC doing to obtain voluntary agreements to extend the statute of limitations from all potential defendants in the Madison/Whitewater matter beyond February 28, 1994?

- In the event the RTC cannot obtain tolling agreements, will the RTC file appropriate civil claims against all individuals whom the RTC has reasonable cause to believe may be liable to the United States prior to February 28, thereby tolling the statute and allowing time for refinements to the original complaint?

- Will the RTC provide us with a complete report on the status and scope of its "thorough review" as soon as possible?

Time is of the essence. The RTC has had years to investigate Madison Guaranty; it should have complete knowledge of the situation and adequate legal foundation for any civil suits. It has only weeks left to act and it should do so without further delay.

We must respectfully request that you respond fully and promptly to this letter.

Sincerely,

Lauch Faircloth
Alfonse D'Amato
Alan K. Simpson
Don Nickles
Trent Lott
Strom Thurmond
Hank Brown
Bill Roth
Connie Mack

Nancy Landon Kassebaum

Richard G. Lugar

Chuck Grassley

Bob Smith

Jesse Helms

Larry Pressler

Kit Bond

Jim Jeffords

Ted Stevens

Mitch McConnell

John Warner

Bob Packwood

John H. Chafee

Bill Cohen

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 23, 1994

Honorable Alfonse M. D'Amato
Ranking Minority Member
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Senator D'Amato:

Interim CEO Roger C. Altman has asked me to respond to your letter dated February 18, 1993, requesting copies of records pertaining to Madison Guaranty Savings and Loan. As you may know from our discussions with your staff, the Resolution Trust Corporation is concerned that disclosure of different categories of information covered by your blanket request could harm the RTC's future position with respect to possible civil litigation; jeopardize the work of independent Counsel Robert Fiske's criminal investigation; result in the release of personal or corporate financial information in violation of Federal law; or, constitute a waiver of one or more privileges to which the agency is entitled.

I have instructed RTC personnel to work with your staff to provide you with all the documents that we can provide within the operating strictures posed by your request. Despite the RTC's desire to cooperate with you, a review of relevant statutes and case law has left the RTC with no other option than to take the position that a Ranking Minority Member of the Senate Committee on Banking, Housing, and Urban Affairs has the authority of an individual Member of Congress and therefore may only obtain information that would be otherwise available to the public pursuant to the Freedom of Information Act. Therefore, the RTC believes that disclosing privileged information to you could raise questions of waiver and could detrimentally affect any further legal actions that may be contemplated regarding Madison.

Today, your staff received over 6,500 pages of documents which are listed in an enclosure to this letter. The RTC has already provided your staff with extensive inventories of Madison-related documents. Since there are over 300,000 pages of Madison-related documents, it would be helpful to have your staff narrow your request to specific documents or classes of documents. At that point, RTC personnel will discuss with your staff how we may be able to meet your request.

801 17th Street, N.W. Washington, D.C. 20434

The RTC will continue to work with your staff to make available to you as many records as possible within the limitations discussed above.

Sincerely,

John Ryan

John E. Ryan
Deputy CEO

Enclosure

[illegible]

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 18, 1994

Mr. Roger Altman
President and
Interim Chief Executive Officer
Resolution Trust Corporation
801 17th Street, N.W.
Washington, D.C. 20434

Dear Mr. Altman:

Please provide to my staff copies of all the documents pertaining to Madison Guaranty Savings and Loan ("Madison"), including all subsidiaries of Madison, that are currently in the possession, or subject to the control, of the Resolution Trust Corporation ("RTC"). In addition, please forward the names and titles of all RTC employees that are involved in any review or investigation of the Madison Guaranty matter. Should the RTC refuse to release any documents, please provide, in writing, a summary index of documents that the RTC refuses to provide as well as an explanation of the grounds alleged for that refusal.

Please forward this information to Douglas Nappi, at the Senate Committee on Banking, Housing and Urban Affairs, 534 Dirksen, Washington, DC 20510. Mr. Nappi can be reached at 202-224-1577.

Thank you in advance for your assistance.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
United States Senator

AD:dn

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 23, 1994

Honorable Alfonse M. D'Amato
Ranking Minority Member
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Senator D'Amato:

This letter is in response to your letter to Interim CEO Roger C. Altman dated February 18, 1994, requesting copies of all recusal letters and ethics agreements entered into by Messrs. Albert V. Casey and Roger C. Altman. On February 18, 1994, I had sent you a response to your February 8th request concerning when the RTC's CEO has recused himself from participation in RTC matters.

For your information, we have enclosed copies of:

1. Mr. Albert V. Casey's Ethics Agreement, two recusal memoranda, and a recusal from participation in matters having an impact upon his creditors. With regard to the recusal from matters involving a member of his immediate household, there is no documentation as it was an oral recusal from Mr. Casey to the RTC's Ethics Officer and designated agency Ethics Official.

2. A memorandum from Mr. Arthur Kusinski to the Executive Committee of the RTC identifying items from which Mr. Altman will recuse himself as the RTC's Interim CEO.

3. A letter from Mr. Altman to Mr. Dennis Foreman at the Department of the Treasury indicating the matters from which he will withdraw, resign, or recuse himself. This document is considered to be his Ethics Agreement with the Treasury Department as the Deputy Secretary. Although it does not directly relate to the RTC, such actions may be applicable to the RTC as well as Treasury. Mr. Altman did not enter into a separate agreement with the RTC at the time he was appointed as Interim CEO.

801 17th Street, N.W. Washington, D.C. 20434

Honorable Alfonse M. D'Amato
Page 2

These documents are being furnished to you with the understanding that they will be treated in a confidential manner.

Sincerely,

Peter E. Knight
Director
Office of Governmental Relations
(202) 416-2116

Enclosures

16572

ENCLOSURE 1

ETHICS AGREEMENT

I, Albert V. Casey, selectee for appointment to the position of Chief Executive Officer of the Resolution Trust Corporation, hereby agree that, should I be formally appointed to that position, I will take or cause to be taken the following actions with respect to my financial interests and obligations, in order to avoid any actions as Chief Executive Officer which might result in or create the appearance of a conflict of interest:

1. Within 90 days of assumption of the position of Chief Executive Officer, I will divest myself of ownership of shares of stock of the American Express Company, Deutsche Bank, Occidental Petroleum Corporation, and Sabine Royalty Trust.

2. Prior to entering upon my duties as Chief Executive Officer, I will resign my directorships with AMR Corporation/American Airlines, Inc., Colgate-Palmolive Company, Memorex Telex, N.V., and Sears, Roebuck & Company.

3. During my tenure as Chief Executive Officer of the Resolution Trust Corporation, I will recuse myself from participating in any particular matter which could have a direct and predictable impact upon the airline industry or any entity in which I own stocks or other securities, or hold a partnership or other financial interest, including financial interests derived from my pensions with AMR Corporation, Colgate-Palmolive Company, Sears, Roebuck & Company, and The Times Mirror Company, other than the formulation and adoption of policies of general applicability to the management and resolution of intsitutions under the jurisdiction of the Resolution Trust Corporation.

4. During my tenure as Chief Executive Officer of the Resolution Trust Corporation, I will recuse myself from participating in decisions or actions having specific impact on any Federally-insured depository institution from which I have an extension of credit, other than the formulation and adoption of policies of general applicability to the management and resolution of institutions under the jurisdiction of the Resolution Trust Corporation and except as permitted by section 1605.16 of the RTC standards of conduct regulation, 12 C.F.R. Part 1605.

5. During my tenure as Chief Executive Officer of the Resolution Trust Corporation, I will not use, or allow third parties to use, my position in any manner to further the interest or fund-raising activities of any educational, religious, civic, or public service organization to which I belong. I further agree that I will not accept compensation or honorariums from those organizations.

6. I further agree that for a period of two years following appointment by the RTC Oversight Board, I will recuse myself from participating in decisions or actions having a specific impact upon Memorex Telex, N.V., or involving matters in which any officer or director thereof makes an appearance before the Resolution Trust Corporation, other than general rulemaking and the formulation and adoption of policies of general applicability to the management and resolution of institutions under the jurisdiction of the Resolution Trust Corporation.

7. I further agree that immediately upon my appointment to the position of Chief Executive Officer for the Resolution Trust Corporation, or within 90 days thereafter, whichever is applicable under this agreement, I will promptly furnish to the Executive Secretary and Designated Agency Ethics Official of the Federal Deposit Insurance Corporation, who also acts as Ethics Counselor for the Resolution Trust Corporation, written evidence of my resignation from those positions from which I have agreed to resign and of my divestiture of ownership of those stocks, securities, and partnership interests of which I have agreed to divest myself.

8. I further agree that, during my tenure as Chief Executive Officer of the Resolution Trust Corporation, prior to the purchase or sale of any stocks, securities, or partnership interests, I will obtain the approval of the RTC Ethics Counselor, who will consult with the Director of the RTC Capital Markets Division to determine whether such purchase or sale would result in or create the appearance of a conflict of interest.

IN WITNESS WHEREOF, I have hereunto subscribed my name in the City of Washington, District of Columbia, this _____ day of __________, 1991.

Subscribed to and sworn before me this 9th day of October, 1991.

(SEAL)

Notary Public
My Commission Expires: 2/29/96

RTC
Resolution Trust Corporation

May 14, 1992

TO: Arthur J. Kusinski
Ethics Officer

FROM: Albert V. Casey, President and CEO

SUBJECT: Recusal Notice -- Indemnification

This is notify you that effective immediately I am recusing myself from all matters involving the indemnification of the President and CEO in the matter of Davidson v. Taylor, et. al., No. 91-4543 EFL (N.D. Cal. filed April 21, 1992). All such matters, should they arise, should be referred to the Executive Committee for resolution or appropriate handling. I hereby delegate to the Executive Committee full authority to act on my behalf.

CC: Mr. Jacobs
Mr. Cooke
Mr. Kelly
Mr. Roelle
Mr. Buckley

801 17th Street, NW ■ Washington, DC 20434-0001

RTC
Resolution Trust Corporation

April 10, 1992

MEMORANDUM TO: Arthur J. Kusinski
Ethics Officer

FROM: Albert V. Casey, President and CEO

SUBJECT: Recusal Notice -- First RepublicBank

This is to notify you that, effective immediately and until further notice, I am recusing myself from all matters involving First RepublicBank which may otherwise come before me. All such matters, should they arise, should be referred to Mr. Gerald L. Jacobs, Senior Vice President and General Counsel, for resolution or appropriate handling. I hereby delegate to him full authority to act on my behalf.

cc: Mr. Jacobs
Mr. Cooke
Mr. Kelly
Mr. Roelle
Mr. Geer
Mr. Buckley

801 17th Street, NW ■ Washington, DC 20434-0001

RTC
Resolution Trust Corporation

May 29, 1992

Mr. Albert V. Casey
President and CEO
Resolution Trust Corporation
801 17th Street, N.W.
Washington, D.C. 20434

Dear Mr. Casey:

A review of your Report of Indebtedness, filed as of April 15, 1992, disclosed loans from the following:

Citibank, Sioux Falls, SD;
Centurion, Newark, DE;
Greenwood Trust, Wilmington, DE;
NationsBank, Louisville, KY; and
Bank of America, Orange, CA

While the loans are permitted under the Employee Responsibilities and Conduct Regulations, the fact that these credit arrangements exist may result in or create the appearance of a conflict of interest. You are, therefore, disqualified from participating in any decision, examination, audit, or other action having an impact on these creditors as long as the loans remain outstanding in excess of $10,000, in accordance with 1605.16(c).

Should you have any questions concerning these disqualifications, please feel free to call me.

Sincerely,

Arthur J. Kusinski
Ethics Officer
Office of Ethics and Protests

1E577

ENCLOSURE 2

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

March 16, 1993

TO: Executive Committee Members
and
Jack Buckley
Executive Secretary

FROM: Arthur J. Kusinski Arthur J. Kusinski
Ethics Officer

SUBJECT: Recusals - Roger C. Altman

The attached document identifies the items which Mr. Altman is recused from participating in at the RTC while he serves as the Acting President and Chief Executive Officer of the RTC.

cc: Roger C. Altman
Acting CEO
RTC

Dennis I. Foreman
Acting General Counsel and DAEO
Department of the Treasury

Kenneth R. Schmalzbach
Assistant General Counsel
(Administrative and General Law)
Department of the Treasury

Norman Smith
Attorney
Office of Government Ethics

801 17th Street, N.W. Washington, D.C. 20434

March 16, 1993

ATTACHMENT

ALTMAN RECUSAL LIST

Company/Entity/Individual	Description
13th Mont Associates (L.P.) -	Montgomery Ward, Peoria, Ill.
A & N Associates LP -	Limited partnership
ANK Corporation -	Ranch, Wyoming
ANR Rem-Cen, Inc. -	Real estate agents and managers
ANR Western Storage Co. -	Real estate holding company
Albany International Corp. -	Paper machine, clothing; fabrics
Allstar Inns, L.P. -	Motel operations
Allstar Inns, G.P., Inc. -	Motel operations
American Express -	Financial services
Applied Microcircuits Corp. -	Integrated circuits and communications equipment manufacturing
Applix, Inc. -	Office automation software
Aristech -	Chemical and polymer products
Atrium Development Co., The -	Property management
Avon Products, Inc. -	Cosmetics; jewelry and gifts
Azimuth Corp. -	Electronic parts and aerospace equipment
BFM Advisors, L.P. (BFMA)	
BRW Partners	
Bath Holdings Corp. -	Shipyard
BlackRock Financial Management, L.P. [1] -	Investment advisory servivces
Blackstone Capital Partners, L.P. -	Limited partnership
Blackstone Group, L.P., The -	Investment advisory services
Blackstone Group Holdings, L.P. -	Investment banking
Blackstone Management Associates, L.P -	Merchant banking services
Blackstone Family Investment Partnership, L.P. -	Limited partnership
Blackstone Management Partners, L.P. -	Merchant banking services
Blackstone Roberts Group -	Real estate investments
Cadmus Computer Systems, Inc. -	Software technology
Cellular Communications -	Cellular telephone services
Cellular Communications, P.R. -	Cellular telephone services
Centurion Bank -	Financial services
Chase Manhattan Bank, N.A. -	Banking, financial services
Chicago and North Western Holdings Corp. (CNW) -	Rail transportation and shipping (from Imperial Savings Association)

---

[1] Indicates that if there is a need to bring an issue affecting this asset to Mr. Altman's attention, it must be determined whether he still holds the asset before doing so.

Chrysler Corporation -	Motor vehicles and parts: financing and insurance **(recusal ends January 20, 1994)**
Chrysler Credit -	Financial services **(recusal ends January 20, 1994)**
Coastal Corp. [2] -	Mining; coal, crude oil and natural gas
Coastal Capital Corp. -	Holding company for finance and insurance subsidiaries
Collins & Aikman Group, Inc. -	Textiles: fabrics: floor and wall coverings; hosiery, retail homecenters: machining and processing of large fan blades, aerospace and aircraft manufacturer
Credence Systems Corp. -	Computer related manufacturing; test equipment for CMOS devices
Cross Timbers Oil Co., L.P.[3] -	Oil and gas
Days Inn -	Hotels; motels; restaurants; franchising
Duracell Holdings Corporation -	Batteries **(recusal ends January 20, 1994)**
Enterra Corp. -	Oil and gas
Executive Life Insurance Company -	Life insurance **(recusal ends January 20, 1994)**
Federal Farm Credit Bank -	Financial services
Federated Department Stores -	Department stores; holding company
Ferretec, Inc. -	Microwave components
Fulcrum II, L.P., The -	Limited partnership (see The Rival Co., Bath Holdings, and Ladish Co.)
Georgia Pacific Corp. -	Building products; industrial wood products; Paper and packaging
Great Lakes -	Dredging services
Health Care Inventory Investors -	Health care facilities
Hospital Corporation of America (HCA) -	Hospitals
Hospitality Franchise Systems -	Hotel franchising
Icarus Partners, L.P. -	Excepted investment fund
Infinity Broadcasting Corp. -	Radio broadcasting
Interactive Data GMBH -	Securities advisory services
Intermountain Technology Ventures, L.P. -	Investment partnership in computer equipment
Kelley Oil & Gas -	Oil and gas
LB/LBO Investment, L.P. -	Limited buy-out investment partnership (see The Fulcrum II, L.P., The Second Fulcrum II, L.P.)
LBKL Associates '81 (L.P.) -	Investment partnership; venture capital
LNR Communications, Inc. -	Satellite communications equipment

---

[2] See Note 1.

[3] See Note 1.

Ladish Co., Inc. -	Steel manufacturing and forgings; valves and pumps
Lehman Brothers -	Securities and investment advisory services
Lehman Newark Urban Renewal (L .P.) -	Office buildings, 80 Park Plaza, Newark, NJ (Primary tenant is Public Service Electric and Gas)
Liberty Associates (L.P.) -	Office and computer facility (unrelated to Merit Properties)
MNC Financial Inc. -	Bank holding company
Mapco Incorporated -	Oil and gas; coal mining; gas station services
Marriott Diversified American Motels (L.P.) -	Hotels
Marriott Hotel Properties (L.P.) -	Hotels
Marriott Hotel Properties II (L.P.) -	Hotels
Morgan (J.P.) & Company, Inc. -	Bank holding company; investment advice and management
Musicland Stores Corp. -	Music and video stores
Nynex -	Telecommunications access services (recusal ends January 20, 1994)
Nynex Business Center -	Recusal ends January 20, 1994
Nynex Development Co. -	Real estate development and services. (Recusal ends January 20, 1994)
Pacific Telesis Group -	Holding company; telecommunications
Paragon Communications -	Training and communications
Pepsico, Inc. -	Beverages; snack foods; restaurants (recusal ends January 20, 1994)
Philip Morris Companies, Inc. -	Cigarettes; beer, food, coffee
Protective Life Corp. -	Life insurance; holding company
Rhone Poulanc Rorer Inc. -	Pesticides, agricultural chemicals
Ruyo Associates (L.P.) -	Apartment buildings, Old Rupert Brewery, and Yorkville Towers, Manhattan
San Juan Basin Royalty Trust -	Oil and gas
Savers -	Real estate partnership, assets from RTC
Second Fulcrum II Limited Partnership, The	Limited partnership (see Rival Co., Bath Holdings and Ladish Co.)
Servicemaster, L.P. -	Holding company; management services to health care, education, and industrial facilities
Shared Financial Systems, Inc. -	Prepackaged software
Shearson Lehman Brothers, Inc. -	Securities and investment advisory services
Six Flags -	Amusement theme parks
Smithkline Beecham PLC ADR EQT -	Pharmaceuticals; clinical laboratories; holding company
Snyder Oil Corporation -	Oil and gas
Sorrento -	Cheese (recusal ends January 20, 1994)
Southern Living Real Estate, Inc. -	Real estate services
Student Loan Marketing Association -	Student loan secondary market obligations
Tandy Corporation -	Radio, television and electronics retailing
Tencor Instruments, Inc. -	Laser optical equipment

The Fulcrum II Limited Partnership -	Limited partnership (see The Rival Co., Bath Holdings and Ladish Co.)
The Harper Group -	Publishing
The Rival Company -	Small appliances: holding company
Tigers -	Foreign currency options
Time Warner Inc. -	Publishing; cable television; movie and music Video production
Times Mirror Inc. -	Publishing; cable and broadcast television (Recusal ends January 20, 1994)
Transtar -	Rail and boat shipping; transportation (from Imperial Savings Association)
Union Carbide -	Holding company; carbon products; chemical. Plastics, gases and related products (recusal ends January 20, 1994)
U.S. Treasury Notes -	
VeriTech Microwave, Inc. -	Microwave components
Vicorp Restaurants, Inc. -	Restaurants and franchising
Vivra Inc. -	Home dialysis
Wellsford Properties -	REIT, multi-family properties
Wickes Corporation	Engineering, from Imperial Savings Association (see Collins & Aikman)

Any matter which involves or has a direct and predictable effect upon the following individuals:

Lan Bentsen
James R. Birle
Laurence D. Fink
Peter G. Peterson
Stephen A. Schwarzman
David Stockman

ENCLOSURE 3

ROGER C. ALTMAN
15 EAST 92ND STREET
NEW YORK, NEW YORK 10154

January 11, 1993

Dennis I. Foreman, Esq.
Deputy General Counsel
Department of Treasury
Washington, D.C. 20220

Dear Mr. Foreman:

In connection with the proposed nomination to the position of Deputy Secretary of the Treasury, I wish to inform you of the steps that I have taken or will take to avoid any conflict of interest or even the appearance of a conflict of interest.

First, upon appointment, I will withdraw as a general partner of Blackstone Group Holdings L.P., Blackstone Management Partners L.P. and Blackstone Management Associates L.P. and I will resign as vice-chairman of The Blackstone Group L.P., thereby terminating my role in the control and management of all Blackstone entities. However, I will retain as investments, as my counsel has discussed with you, limited partnership interests in Blackstone Management Associates L.P., Blackstone Family Investment Partnership L.P., and BlackRock Financial Management L.P. I will divest my interest in BlackRock Financial Management L.P. no later than September 30, 1993 and otherwise in accordance with the terms and conditions of its limited partnership agreement based on a valuation of such interest as of a date no later than June 30, 1993. In addition, I will make no further investments in or through Blackstone Management Associates L.P. or Blackstone Family Investment Partnership L.P.

Second, upon appointment, I will resign as Chairman of Cities in Schools -- New York City and as a Director of The Children's Television Network, Inc., the Johns Hopkins School of Advanced International Studies, the Franklin Delano Roosevelt Library and the Citizens Budget Commission.

Third, upon appointment and issuance of certificates of divestiture by the Office of Government Ethics, I will divest certain marketable securities (a list of which is attached hereto as Attachment A), the divestiture of which you, after discussions with my counsel, have identified as reasonably necessary to comply with Federal conflict of interest statutes and regulations.

Fourth, I will recuse myself for a period of one year from the date of my appointment from official participation in any particular matter in which Blackstone Group Holdings L.P. or any of its majority-owned subsidiaries is a formal party or which directly or specifically affects these entities. However, this recusal does not extend to general policy, legislative or other matters of a general nature that may affect these entities along with similar entities in their respective industries.

Fifth, upon appointment, I will recuse myself from official participation in any particular matter involving or having a direct and predictable effect on Chase Manhattan Bank, those clients listed on Attachment B hereto (but only for one year) or on a company or partnership in which I, my spouse or dependent children has any financial interest.

In particular with regard to the two preceding paragraphs, I will ask that the Secretary or another appropriate official handle any such matter. To ensure that I do not inadvertently participate officially in any such matter, I will provide members of my immediate staff, other appropriate officials and the Designated Agency Ethics Official with a list of my recused entities upon assuming my position. I will update this list each year at the time I complete my annual public financial disclosure report, or more frequently as appropriate.

Finally, I will work with officials of the Department of the Treasury to establish procedures to ensure that should any particular matters arise having a direct and predictable effect upon any of my financial interests or otherwise relating to my recused entities, they will be referred to another official in the Department for decision.

Sincerely,

Roger C. Altman

Attachment A

ASSETS TO BE DIVESTED

- MNC Financial, Inc.
- Morgan (J.P.) & Company, Inc.
- Philip Morris Companies Inc.
- San Juan Basin Royalty Trust
- Snyder Oil Corporation
- Enterra Corp.
- Mapco Incorporated
- Kelley Oil & Gas (conv. debt)
- Coastal Corp. (debt)
- Savers Fund
- Tiger Fund
- Cross Timber Oil Co., L.P.
- BlackRock Financial Management L.P.

Attachment B

CLIENT LIST

- Chrysler Corporation
- Duracell Holdings Corporation
- Executive Life Insurance Company
- Nynex
- PepsiCo, Inc.
- Sorrento
- Times Mirror Inc.
- Union Carbide

16587

[illegible]

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 18, 1994

Mr. Roger Altman
Interim Chief Executive Officer
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear Mr. Altman:

Please provide the following:

1) A copy of any review that the RTC prepared, or had prepared, pertaining to potential conflicts-of-interest that may have existed in connection with the Rose Law Firm and Madison Guaranty; [illegible]
2) Copies of all recusal letters and ethics agreements entered into by Albert Casey and yourself. [illegible]

Please provide these materials as soon as possible, and as they become available for delivery. If you have any questions regarding this request. Mr Nappi can be reached at (202) 224-3737.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
Ranking Republican Member

AMD:sb

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 23, 1994

MEMORANDUM TO: Doug Nappi
Minority Counsel
Senate Banking Committee

MEMORANDUM THROUGH: Peter Knight
Director
Office of Governmental Relations

cmc for PK

MEMORANDUM FROM: Casey Carter
Legislative Affairs Specialist

SUBJECT: Ethics Material

Attached you will find an "Employee Ethics Manual" issued to all executive level employees of the RTC. I have previously provided you with other ethics materials published for RTC employees. If you have further data requests in this area please let me know.

Peter Knight
Signed original -
did not take copy.
cmc

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 23, 1994

MEMORANDUM TO: Doug Nappi
Minority Counsel
Senate Banking Committee

MEMORANDUM FROM: Peter Knight cmc for PK
Director
Office of Governmental Relations

SUBJECT: Outside Counsel Conflicts of Interest

Attached you will find the RTC's current "Statement of Policies Concerning Outside Counsel Conflicts of Interest" you requested.

Peter Knight
signed original -
did not take copy.
cmc

801 17th Street, N.W. Washington, D.C. 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 18, 1994

Honorable Alfonse M. D'Amato
Ranking Minority Member
Committee on Banking, Housing,
 and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Senator D'Amato:

This letter is in response to your letter of February 8 requesting the number of times the RTC's Chief Executive Officer has recused himself from involvement in matters before the RTC; a summary of the grounds that led to the recusal decision; and the RTC's policies or guidelines pertaining to recusals.

During his tenure, Albert V. Casey, former Chief Executive Officer, recused himself by memorandum to the RTC's Ethics Office from three matters that came before the RTC. Mr. Casey did not state the grounds that led to two of his recusal decisions. Under 12 CFR 1605 an employee may recuse himself or herself from matters in which the employee believes he or she may have a conflict of interest. In the third instance, Mr. Casey recused himself from any RTC matters involving a member of his immediate household.

Mr. Casey further had executed an Ethics Agreement in which he committed to recusing himself from any entity in which he held a financial interest, as well as any other interest derived from pensions of five corporations. Mr. Casey also disqualified himself from participating in any RTC matter effecting his five creditors should such a matter come before him.

During his tenure, Roger C. Altman, Interim Chief Executive Officer, has not needed to recuse himself from any matter before the RTC. Mr. Altman has recused himself from matters that could have a direct and predictable effect upon his financial interest, his former partners, or clients, should such matters come before him as the RTC's CEO.

801 17th Street, N.W. Washington, D.C. 20434

The RTC's policies and guidelines pertaining to recusal are founded in the criminal statute and the standards of conduct regulations. Specifically, 18 USC 208, 5 CFR 2635, and 12 CFR 1605, as amended, provide the basis for an employee's recusal from any official government matter which could result in a conflict of interest or an appearance thereof. Employees may recuse themselves simply by not participating in a matter at such time that the matter, in which they may have a conflict, comes before them. Although employees are not legally required to put their recusals in writing, we encourage employees to document recusals either by internal memorandum or by electronic mail. In addition, during our review of financial disclosure forms, our Deputy Ethics Counselors (DECs) issue disqualification letters to employees on matters in which there may be an obvious and real conflict of interest, should such a matter come before them. This is done to ensure that the employees are in compliance with the criminal statutes or standards of conduct regulations. These disqualifications would include certain financial interests, extensions of credit in excess of $10,000, and prior employment.

Disqualifications are usually between the employee, his or her DEC, and the RTC's Ethics Office. Supervisors or other management officials are usually not made aware of these disqualifications until such time as a conflicted matter arises with the conflicted party. The conflicted employee's supervisor must then assume responsibility for the matter or reassign the matter to another individual at or above the level of the conflicted employee. Notice of this reassignment is made known to those who have a need to know.

Both Mr. Casey and Mr. Altman informed members of the RTC's Executive Committee and the RTC's Secretary of their recusals.

We hope this information is of assistance to you. If you have any questions, please let me know.

Sincerely,

Peter E. Knight
Director
Office of Governmental Relations
(202) 416-2116

[illegible] 765

[illegible]

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 8, 1994

Mr. Peter Knight
Director
Office of Governmental Relations
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear Mr. Knight:

Pursuant to your conversation with Doug Nappi, of the Banking Committee, please provide the answers to the following questions:

1) The number of times that an RTC Chief Executive Officer has recused himself from involvement in matters before the RTC;
2) A summary of the grounds that led to the recusal decision; and
3) The RTC's policies or guidelines pertaining to recusals;

If you have any questions regarding this request, Mr. Nappi can be reached at (202) 224-3737.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
Ranking Republican Member

AMD:sb

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 1, 1994

The Honorable Alfonse M. D'Amato
Ranking Minority Member
Committee on Banking, Finance
  and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Senator D'Amato:

On January 11 and January 25, 1994 you wrote to me concerning the statute of limitations relating to Madison Guaranty Savings and Loan of McCrory, Arkansas ("Madison"). I want to assure you that the Resolution Trust Corporation is conducting a thorough review of the potential civil claims it possesses as a result of the failure of Madison. The RTC is, of course, mindful of the impending February 28 anniversary date of the federal takeover of Madison.

If such claims do exist, the RTC will vigorously pursue all appropriate remedies using standard procedures in such cases, which could include seeking agreements to toll the statute of limitations. As you noted, the barriers presented by the expiration of the statute of limitations in many cases have been ameliorated by the extension of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) statutes in the RTC Completion Act (Act). The Act has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution. As you know , the RTC's jurisdiction is solely as to civil claims. Any potential criminal matters are within the jurisdiction of the Justice Department.

Sincerely,

Roger C. Altman
Interim CEO

801 17th Street, N.W. Washington, D.C. 20434

DONALD W. RIEGLE JR. MICHIGAN, CHAIRMAN
PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
JIM SASSER, TENNESSEE
RICHARD C. SHELBY, ALABAMA
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA
BARBARA BOXER, CALIFORNIA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
PATTY MURRAY, WASHINGTON
ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
LAUCH FAIRCLOTH, NORTH CAROLINA
ROBERT F. BENNETT, UTAH
WILLIAM V. ROTH JR., DELAWARE
PETE V. DOMENICI, NEW MEXICO

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

January 25, 1994

Mr. Roger Altman
President Interim and
Chief Executive Officer
Resolution Trust Corporation
801 17th Street N.W.
Washington, D.C. 20434

Dear Mr. Altman:

I am writing to you in connection with the letters of January 11, 1994, to Attorney General Janet Reno and yourself, expressing the grave concern that I and a number of my colleagues have regarding the expiration of the applicable statutes of limitations with respect to possible wrongdoing at Madison Guaranty Savings and Loan ("Madison"). We urged that voluntary agreements tolling the statute of limitations be sought with all the relevant parties. That letter addressed the urgent need for immediate action with respect to any violations that may have occurred, since the applicable statute of limitations may expire as soon as March, 1994.

More than two weeks have passed since we raised this vital issue. In his public comments, Special Counsel Fiske has already demonstrated his recognition of, and sensitivity to, the applicable criminal statutes of limitations.

I have yet to be apprised of what action, if any, the RTC has taken to ensure that the applicable civil statute will not expire. The American people have the right to know if any wrongdoing took place in connection with Madison. It is equally important that the rights of the American people to obtain a full accounting against wrongdoers be preserved.

The RTC should do all in its power to protect the American taxpayer by making a definitive interpretation of precisely when the civil statute of limitation will expire, and then take action to voluntarily seek agreements from potential parties to RTC-initiated legal actions. Should the statute of limitations run, any findings that the RTC makes will be meaningless--there will be no hearing and the American people will be left without complete redress.

Members of the Banking Committee staff have discussed the need for meaningful action with representatives of the RTC. My staff was informed that the RTC had not yet made a final analysis with respect to the expiration of the statute of limitation. They were also informed that no response was immediately available, more than two weeks after this issue was raised--this is inconceivable and unacceptable.

In light of the RTC's failure to respond to these concerns for over two weeks, I am compelled to write again to ascertain what action the RTC has taken, so that I may consider alternate avenues that I can pursue in order to protect the interest of the American people with respect to this matter. I can see no reason for further delay on your part. Please provide me with your conclusions as to the application of the relevant statute of limitations with respect to the Madison situation immediately.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
Ranking Republican
Senate Banking Committee

AMD:dn

SENATE BANKING COMMITTEE STAFF CONTACT UPDATE

4:00 p.m. 2/23/94

Senator Mosely-Braun - generally no major issues with RTC. Whitewater: They may raise questions to put the issue in context...i.e., how does the size, resolution cost, etc., compare with other institutions in the same category?

Senator Shelby - they are just now focusing on the hearing..have some issues but are not sure at this time which ones, if any, will be discussed during the hearing....will get back to us with specifics if any.

Senator Bennett - generally, listens to testimony and then asks questions without having his staff prepare them ahead of time....if anything comes up he will call.....

Senator Roth - he may not even come ... if he does, he'll focus on accountability...

Senator Gramm - will the RTC have to ask for more money? Was the $18 billion enough?

Senator Domenici - may have a question on Dr. Ramage (an individual who has claimed that he has been unjustly hounded by RTC PLS. May ask "process" questions on PLS, but "no bombs" on Madison.

Senator Boxer - has asked for a lot of info on resolution costs of institutions in CA, TX, and NY. May use this info to make an argument in the Whitewater discussion. (I.e., Madison had such a small resolution cost.) Also a lot of info about PLS cases. She may ask how the statue of limitations extension in the Earthquake bill has helped the RTC.

Senator Kerry - asked for a list of all RTC institutions in order of resolution cost. Says this may help to make the argument that Madison was not very costly.

Senator Murray - questions will be very general if any.

Senator Bond - he will talk about the process of criminal investigations and referrals....what is the process...

Senator Campbell - not planning to raise any RTC issues...

DEPARTMENT OF THE TREASURY
WASHINGTON

GENERAL COUNSEL

February 18, 1994

MEMORANDUM FOR DEPUTY SECRETARY ALTMAN

FROM: Jean E. Hanson

SUBJECT: *Madison Guaranty Matters*

Attached are drafts of the RTC Ethics Officer's advice to you on participation in these matters and my response to Congressman Leach's inquiry to you concerning them, as well as the final copy of the response to Senator D'Amato's inquiry regarding RTC recusal policies. The Leach and D'Amato incomings are associated with the draft responses to each.

DRAFT DRAFT

February 18, 1994

MEMORANDUM TO: Roger G. Altman
Interim Chief Executive Officer

FROM: Arthur J. Kusinski
Ethics Officer
and
Designated Agency Ethics Official

SUBJECT: RTC Madison Guaranty Matters

SUMMARY:

You have sought advice from your RTC ethics counselor as to whether your longstanding personal relationship with the President gives rise to a legal obligation to recuse yourself from matters that may come before the RTC that may affect financial interests of the President or his family. I have carefully considered your inquiry, and conclude that the decision whether to participate in such matters is not mandated by ethics statues or regulations. Thus, you have the discretion to participate or not, as you determine to be appropriate. I note, however, that it is not necessary for you to decide whether to participate in any particular matter until such time as the matter comes before you.

DISCUSSION:

The only ethics statute or regulation which is relevant to your request for advice is 5 CFR 2635.502 ("section 502"), which is entitled "Personal and Business Relationships". That provision encourages an official who has a relationship with a person who is a party to a Government matter in which the official is called upon to act, and is concerned that the relationship would raise an issue of impartiality, to contact the agency's ethics officials. You have done so.

Ethics officials then must determine whether your relationship with the President is a "covered relationship" as that term is defined by 5 CFR 2635.502(b)(1). Officials have a "covered relationship" with: (1) a "person" with whom the official has or seeks a business, contractual or other financial relationship;
(2) a member of their household or a relative with whom they have a close personal relationship; (3) a "person" with whom certain of the official's relatives has or seeks employment or similar

DRAFT

relationships; (4) a "person" for whom the official has served as an employee, attorney or in a similar capacity within the last year; and (5) an organization other than a political party in which the official is an active participant such as a chairman of one of the organization's committees. For purposes of these regulations, the term "person" does not include the Federal Government and/or officials of the Federal Government acting in their official capacities. 5 CFR 2635.102(k). You clearly have none of these relationships with the President, and therefore you are not in a "covered relationship" with him. As the section 502 regulation operates, only "covered relationships" standing alone raise questions of appearances of loss of impartiality as a statutory or regulatory matter.

In considering your request for advice, I am aware that your only relationship with the President is one that would be fairly characterized as a longstanding personal friendship. However, you and the President do not now and have not in the past participated together in business or financial transactions[1]. While a personal relationship such as yours with the President is a factor to be considered (along with others) in deciding whether the circumstances raise a question as to your impartiality in a matter that may affect the President's interests, standing alone it is not determinative. In its Preamble to the publication of the final Executive branch standards of conduct regulations, OGE specifically considered whether a "close personal friendship," standing alone, should be considered a "covered relationship," and decided that it should not. 57 FR 35026 (1993).

I have consulted with the Office of Government Ethics concerning this issue. OGE believes that your decision, as to whether to participate in an RTC matter that may affect a financial interest of the President, is not a matter that is mandated by ethics statutes and regulations. OGE also believes that the ethics advice I provided to you in these circumstances is within the discretion of the ethics official of the affected agency; and that the

---

[1] Title 18 U.S. Code, section 208 prevents an official from participating for the Government in a matter affecting a financial interest of the official or certain other persons and organizations. You have neither a personal financial interest in the matters before the RTC nor a relationship with the President (who may have such an interest) of the kind that is relevant for purposes of 18 U.S.C. 208. Section 208 would impute to you the financial interest of the President only if he were your general partner or a person with whom you were negotiating or had an arrangement for prospective employment. Thus, that provision does not create any bar to your participation in the RTC's decisions concerning those matters.

DRAFT

DRAFT

decision whether to participate in RTC matters that may involve the interests of the President is within your discretion. I have also consulted with the Designated Agency Ethics Official at the Department of the Treasury who concurs with me in this analysis.

In summary, it is my opinion that there is no legal reason to preclude you from acting on such matters. Regardless of whether you decide to recuse yourself, there will be no legal objection to that decision.

RECOMMENDATION:

In deciding whether to recuse yourself, I recommend that you consider certain factors in making your decision. Certainly, you should take into consideration your longstanding personal relationship with the President. You should also consider the nature and importance of your role as the RTC's CEO in the Madison matter; the sensitivity of this matter; the difficulty in assigning this matter to another individual at the RTC; the likelihood that a reasonable person with full knowledge of the facts would question your impartiality; and the effect that this matter may have upon the President's financial interests. This listing is not exclusive, and you may have other factors which you may want to consider as well. That is within your discretion. In considering these factors, I of course stand ready to advise you if you should so desire.

Finally, the regulations do not require government officials to recuse themselves from actions which are not specifically before them. Therefore, you may wish to defer a decision on your recusal until such time as a particular aspect of the Madison Guaranty matter is presented to you for consideration or decision.

DRAFT

---

[1] I understand that the statute of limitations may be extended.

DRAFT

February 18, 1994

The Honorable James A. Leach
U.S. House of Representatives

Dear Mr. Leach:

In your letter to him of February 3, 1994, you asked Deputy Secretary Altman to seek advice from "Treasury's General Counsel and Ethics Office" as to whether he is obligated to recuse himself from decisions concerning the Resolution Trust Corporation's resolution of Madison Guaranty Savings and Loan Association. He has sought such advice from me and from ethics officials of the Resolution Trust Corporation and the Treasury.

I understand you to express concern about the possibility that the Deputy Secretary might, as acting Chief Executive Officer of the Resolution Trust Corporation pursuant to the Vacancy Act, 5 U.S.C. 3347, participate in RTC decisions as to whether there are civil claims for RTC to pursue arising from the failure of Madison Guaranty Savings and Loan Association and the expiration of statutes of limitation applicable to any such claims. Your concern seems to stem from the fact that decisions regarding those claims "may touch upon the President" who appointed the Deputy Secretary to his Treasury position. You asked the Deputy Secretary to seek advice from Treasury's General Counsel as to whether he is "obligated to recuse (himself) from any decisions concerning the resolution of Madison Guaranty." We have advised the Deputy Secretary that neither his appointment at Treasury nor his detail to the RTC creates such an obligation.

Your letter suggests that the Deputy Secretary's participation in such decisions would be "structurally unseemly," a conclusion apparently based on the fact that he was appointed by the President and confirmed for a position in a Cabinet department and is acting in a position in an Executive agency that is not such a department. However, the authority pursuant to which the Deputy Secretary is detailed to RTC duties was amended in 1988 precisely so that any Executive agency, such as the RTC, and not just Cabinet departments, could continue to have Presidentially-appointed leadership when circumstances delay filling vacant positions. Pub.L. 100-398, §7(a)(1) and (2), Aug. 17, 1988, 102 Stat. 988.

You also suggest that a structural issue arises from RTC's "public law enforcement responsibilities;" that it would be improper for a Presidential appointee not confirmed for a position at the RTC to exercise those responsibilities. As a preliminary matter, the responsibility to pursue civil claims is in no special sense a "law enforcement" responsibility. In fact, it is explicitly the responsibility of the head of every

Executive agency to collect claims of the United States that arise from the agency's activities or are referred to it. 31 U.S.C. 3711. Because the Deputy Secretary has similar claims collection responsibilities at Treasury and at the RTC, I can see no "structural" concern regarding his performance of those responsibilities at the RTC.

Even if the RTC were in some special sense a "law enforcement" agency, absent an exception in the Vacancy Act or another statutory provision creating an exception, the Vacancy Act authorizes filling vacant positions at any "Executive agency (other than the General Accounting Office)." The language of the Act does not distinguish among agencies based on the nature of their functions. Moreover, it would be incorrect to infer the existence of such distinctions. In the one instance of an exception created by the Vacancy Act, Congress has employed language that clearly achieves that objective. The Act expressly provides that its authority to detail Presidential appointees from other agencies does not apply to vacancies in the office of the Attorney General; neither the Vacancy Act nor any other law creates such an exception for the RTC.

Finally, even if there were some basis for reading into the Vacancy Act a principle that only an official confirmed for a position in an agency with law enforcement responsibilities should be detailed to another such agency, that would in no way suggest that the Deputy Secretary of the Treasury should not perform law enforcement functions at the RTC. Treasury has enormous criminal law enforcement responsibilities, a conclusion amply demonstrated by the significant law enforcement jurisdictions of the Bureau of Alcohol, Tobacco and Firearms, the Customs Service, the Secret Service and the Internal Revenue Service. Each of those organizations reports through its chain of command to the Deputy Secretary of the Treasury.

You also suggested that Deputy Secretary Altman consult ethics officials. He has done so. I am informed that the RTC's Ethics Officer has advised the Deputy Secretary that he is under no legal obligation to recuse himself from matters at the RTC that may touch upon the President. Finally, the Ethics Officer has expressed the view that it may not be necessary to decide whether to participate in such a matter now.

I trust this letter fully addresses your concerns.

Sincerely,

Jean E. Hanson
General Counsel

HENRY B. GONZALEZ, TEXAS, CHAIRMAN
STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LaFALCE, NEW YORK
BRUCE F. VENTO, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
BARNEY FRANK, MASSACHUSETTS
PAUL E. KANJORSKI, PENNSYLVANIA
JOSEPH P. KENNEDY II, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
KWEISI MFUME, MARYLAND
MAXINE WATERS, CALIFORNIA
LARRY LaROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
HERBERT C. KLEIN, NEW JERSEY
CAROLYN B. MALONEY, NEW YORK
PETER DEUTSCH, FLORIDA
LUIS V. GUTIERREZ, ILLINOIS
BOBBY L. RUSH, ILLINOIS
LUCILLE ROYBAL-ALLARD, CALIFORNIA
THOMAS M. BARRETT, WISCONSIN
ELIZABETH FURSE, OREGON
NYDIA M. VELAZQUEZ, NEW YORK
ALBERT R. WYNN, MARYLAND
CLEO FIELDS, LOUISIANA
MELVIN WATT, NORTH CAROLINA
MAURICE HINCHEY, NEW YORK
CALVIN M. DOOLEY, CALIFORNIA
RON KLINK, PENNSYLVANIA
ERIC FINGERHUT, OHIO

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
ONE HUNDRED THIRD CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6050

JAMES A. LEACH, IOWA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
DOUG BEREUTER, NEBRASKA
THOMAS J. RIDGE, PENNSYLVANIA
TOBY ROTH, WISCONSIN
ALFRED A. McCANDLESS, CALIF.
RICHARD H. BAKER, LOUISIANA
JIM NUSSLE, IOWA
CRAIG THOMAS, WYOMING
SAM JOHNSON, TEXAS
DEBORAH PRYCE, OHIO
JOHN LINDER, GEORGIA
JOE KNOLLENBERG, MICHIGAN
RICK LAZIO, NEW YORK
ROD GRAMS, MINNESOTA
SPENCER BACHUS III, ALABAMA
MIKE HUFFINGTON, CALIFORNIA
MICHAEL CASTLE, DELAWARE
PETER KING, NEW YORK

BERNARD SANDERS, VERMONT

(202) 225-4247

February 3, 1994

Mr. Roger C. Altman
Interim CEO
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear Mr. Altman:

I am in receipt of your February 1, 1994 response to the letter initiated by Senate Republican leadership concerning Madison Savings and Loan and I am pleased to learn that the RTC "will vigorously pursue all appropriate remedies" with regard to Madison's failure. It seems self-apparent that in order for the RTC to pursue vigorously all remedies it must have all relevant information at its disposal. Accordingly, I urge the RTC to seek and review all Whitewater Development Corporation documents turned over by the White House to the Justice Department.

In its investigation of Madison, the Minority has uncovered links between Madison and Whitewater, some of which may have contributed to the thrift's failure. Not only did James and Susan McDougal hold significant ownership interest in both entities (approximately two thirds in Madison and one half in Whitewater), but the other joint owners of Whitewater (Bill and Hillary Clinton) appear to have benefited directly and indirectly from the application of Madison resources. [See the attached memo.]

If the White House chooses to use the Justice Department to shield Whitewater documents not only from the public and Congress, but from other government agencies, such as the RTC, which have legitimate public law enforcement responsibilities, it is hard to believe a responsible resolution of the issues involved can be made by regulatory authorities.

I have high regard for your personal integrity, but as you know, from the beginning, it has been an awkward situation to have a presidentially appointed and confirmed officer of the Treasury Department also head an independent federal agency, the Resolution Trust Corporation (RTC). When this prospect was first suggested at the beginning of the Clinton Administration, it did

not strike the Minority as overly unreasonable for a month or two given the fact that no RTC head had been selected.

However, it has been over a year since the Administration has been in office and it can only be described as structurally unseemly for a political appointee of an Executive branch department to make what are in effect, law enforcement decisions for an independent federal agency as they may touch upon the President.

Accordingly, I would urge that you request from the Department of Treasury's General Counsel and Ethics Office advice as to whether you, as interim CEO of the RTC, are obligated to recuse yourself from any decisions concerning the resolution of Madison Guaranty. Just as the special counsel law was designed to relieve the Attorney General from an ethical dilemma of being both chief law enforcement officer for the nation and chief legal advisor to the President in circumstances when the President or a high level Administration officer is the subject of investigation, so it would appear ethically questionable for a political appointee of the Department of Treasury to make decisions for an independent federal agency when the President may be implicated in enforcement and civil actions.

In this regard, it should be clear that the issue is not whether a presidentially appointed official can oversee an investigation involving the President. Rather the issue is that officials with this responsibility should be confirmed for the job with that particular accountability. As you will recall it was a political appointee confirmed by the Senate that issued a cease and desist order for engaging in conflicts of interest against the son of a former President.

As you know, despite your strong letter to the Chairman of the House Banking Committee recommending against extension, Congress last year extended the statute of limitations for civil lawsuits brought against S&L wrongdoers. As you pointed out in your most recent letter, this extension "has afforded the RTC an opportunity to investigate further any civil claims which may be asserted against individuals or entities associated with Madison Guaranty for fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the institution." Given, however, the impending running of the statute of limitations for certain kinds of actions, time is clearly of the essence for the RTC to make judgments about civil accountability in the failure of Madison.

Finally, I would like to reiterate my request, pursuant to Rules X and XI of the House Rules for all documents related to Madison Guaranty Savings and Loan, Little Rock, Arkansas. As you know,

on December 9, 1993, I wrote the RTC requesting access to all documents related to Madison Guaranty and its subsidiaries.

House and Committee Rules, House practices, and judicial precedent support the proposition that the Ranking Minority Member is the functional counterpart to the Chairman for Committee action. This being the case, a request for documents made by the Ranking Minority Member has parallel standing with a request made by the Chairman of the Committee. The Ranking Minority Member clearly has a voice in the process and is entitled to information that will enable the Ranking Minority Member to carry out his constitutionally mandated oversight responsibilities.

Therefore, the courtesy of a definitive reply to this document request is requested by 12 noon, Monday, February 7, 1994. On this matter, it is urged that you also consult with the Ethics Office as to the relevance of the previously discussed recusal issue.

Again, let me stress that to the degree a conflict situation may exist in this matter in no way reflects on your personal integrity. It is simply an outward circumstance in contrast to a personal embarrassment.

Sincerely,

JAMES A. LEACH
Ranking Member

JAL:gp

Enclosure

MEMORANDUM

TO: Congressman Leach

FROM: Banking Minority Staff

RE: Madison Guaranty ("Madison")

In reviewing documents related to Madison in the possession of Minority Banking, we have come across material which may indicate direct payment of a loan of Bill Clinton's by Madison through a subsidiary.

Since the Minority's investigation is concerned with the possible misuse of federally insured funds to assist Whitewater and/or the former Governor, we thought we should share the following information with you.

SUMMARY

Based on documentary evidence available to the Minority, it appears that Madison Marketing served, in at least one instance, as a conduit of funds from Madison Guaranty to Whitewater and Governor Clinton. If this is correct, it would appear that insured funds from the failed Madison Guaranty were diverted and directly benefitted the Governor and his investment in Whitewater, a claim Clinton had denied.

DOCUMENTATION

- In 1983, Bill Clinton obtained a loan from Security Bank of Paragould, Arkansas for approximately $20,800 (loan #975-585, Bill Clinton). The money from this loan was used to pay off the remaining balance of a loan at Madison Bank and Trust of Kingston, Arkansas that was provided for the purpose of constructing a modular home on lot #13 at Whitewater Estates. The loan at Madison Bank was provided in 1980 to Hillary Clinton in the amount of $30,000.

- On November 8, 1985, James McDougal sent a letter accompanied by a check to Charles Campbell, Vice President of Security Bank of Paragould, for $7,322.42. The letter from McDougal states that the check is principal and interest payment on "Note #957-585, Bill Clinton." [Note: It appears that the loan number is a typographical error with the superimposing of numbers 5 and 7 in the first three digits.]

- The check McDougal enclosed with his letter to Mr. Campbell is a Whitewater Development Corporation check dated November 7, 1985. The loan number referenced on the memo portion of the check is "Note #975-585."

- According to the check ledgers for the Whitewater Development Corporation (WDC), the corporation's checking account had the following balances: $189.50 on 10-10-85; and, $12.49 on 10-31-85. However, in order to cover the payment of $7,322.42 on the Clinton loan, a deposit is recorded on November 8, 1985 in the amount of $7,500.00. The deposit is listed as coming from "Madison Marketing."

- A 1986 Federal Home Loan Bank Board exam gives the impression that Madison Marketing was largely a sham corporation used to divert federally insured resources to insiders. The exam notes that "Until 1986, Susan McDougal owned Madison Marketing." The report also states the following:

> "Madison Marketing is paid for doing all the general advertising for Madison Guaranty and most of the advertising for Madison Financial's land development projects. All of Madison Marketing's business is derived from Madison Guaranty or its subsidiaries. Since 1983 these payments total $1,532,000."
>
> "Given the evidence of Madison Marketing's invoices, it is questionable how much of these advertising services are actually performed by the firm. The actual work ... appears to be performed by others. It would appear that Madison Guaranty could have an employee perform similar work for much less money."
>
> "Mr. Latham (an officer of Madison) stated that Madison Marketing made no payments to any stockholders. This statement is false. As part of a test for such payments, the examiners discovered two remittances from Madison Marketing to Susan McDougal (a large stockholder of Madison) which total $50,000. This was a test, and there may be additional payments."

CONCLUSION

Given the above circumstances, it would appear that federally insured deposits (i.e., funds from Madison Guaranty through Madison Marketing), which, with the later failure of Madison became, in effect, taxpayer obligations, were transferred for the direct personal benefit of the former Governor.

The above payment also raises the question of whether Whitewater

was treated as an affiliate or related interest of Madison Guaranty and therefore subject to conflict of interest statutes. From a legal perspective, it could be argued that the McDougals' controlling interest in Madison Guaranty and their substantial ownership interest in Whitewater could qualify Whitewater as an "affiliate" of Madison Guaranty. Even if Whitewater is not considered a subsidiary, related interest, or affiliate of Madison Guaranty, such an extension of funds to a presumably "unaffiliated" entity would be very unusual and suspect.

It has been publicly reported, with respect to this loan repayment, that both Whitewater and the Clintons took a tax deduction related to interest paid on the same loan -- which the Clintons later recognized as improper double deduction after an article ran in the New York Times. What remains unclear is the larger question of whether the funds provided by Madison to reduce the Clinton's liability were proper or properly reported as income for income tax purposes.

As you know, we have received broad hints from within the RTC that the agency has had under review money transfers from Madison to Whitewater. We will not know whether this type of activity was more pervasive and part of a larger pattern unless, and until, the agency provides us the documents we have requested. If Madison provided any direct or indirect assistance to Whitewater, presumably half the value of such would redound to the advantage of each of the half owners. In any regard, the above money transfer underscores that then Governor Clinton had personal liabilities reduced by a payment from Madison. Such payment presumably carries ethical as well as tax implications and is part and parcel of the $47 to $60 million estimated taxpayer loss at Madison.

Attachments

Bank

P.O. BOX 670 PARAGOULD, ARKANSAS 72450
501-239-9971

September 30, 1983

Governor Bill Clinton
1800 Center
Little Rock, AR 72205

Dear Governor Clinton:

Enclosed is a copy of our check #12677 in the amount of $20,800.00 representing the proceeds of your note. The original was mailed to: Madison Bank & Trust, Kingston, Arkansas.

Sincerely,

Charles D. Campbell

Charles D. Campbell
Vice President

CDC/lam

Security Bank
P. O. BOX 670
PARAGOULD, ARKANSAS 72450

№ 12677

9-30 19 83

81-88/841

PAY

TO THE ORDER OF Madison Bank & Trust

$ 20,800.00

NOT NEGOTIABLE

FOR loan proceeds for Gov. Bill Clinton

⑆0841008 29⑆ 2725-851⑈

JIM McDOUGAL

P. O. Box 1583

Little Rock, Arkansas 72203

[illegible] copy

November 8, 1985

Mr. Charles D. Campbell
Vice President
Security Bank
P. O. Box 670
Paragould, Arkansas 72450

Re: Note #957-585, Bill Clinton

Dear Mr. Campbell:

Enclosed is a White Water Development Corporation check for $7,322.42, representing principal payment of $5,000 and interest payment of $2,322.42, on the above note.

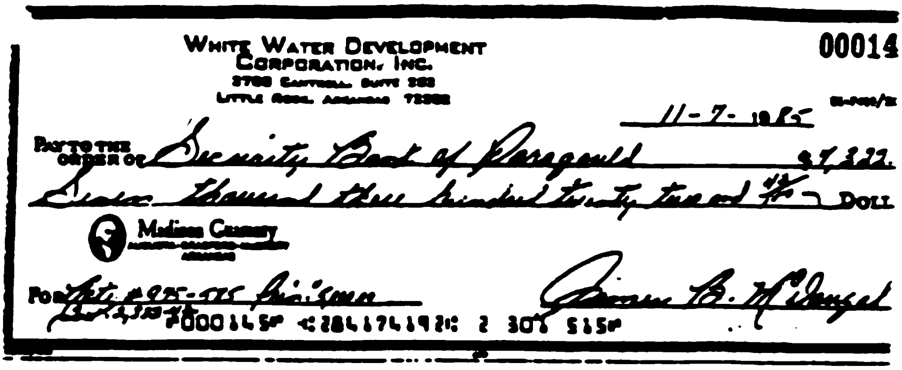
Thank you for your attention to this matter.

Sincerely,

Jim McDougal

Jim McDougal

JM/ss
Enc



WHITE WATER DEVELOPMENT CORPORATION, INC.
[illegible]
LITTLE ROCK, ARKANSAS

00014

11-7-1985

PAY TO THE ORDER OF Security Bank of Paragould $7,322.

Seven thousand three hundred twenty two and 00/100 DOLL

Madison Guaranty

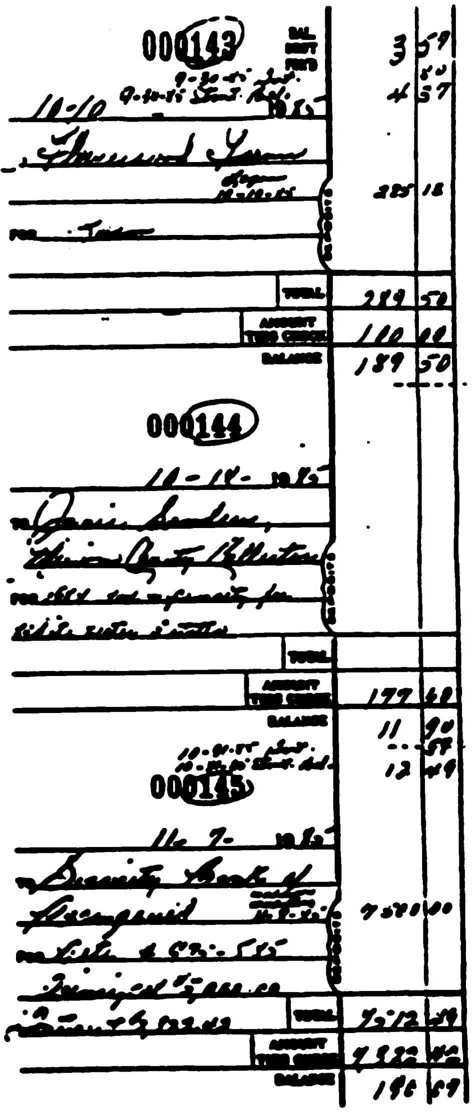
FOR Acct. #095-775 Bill Clinton

James B. McDougal

⑈000145⑈ ⑆281174192⑆ 2 305 515⑈

Account notation on check different from notation on McDougal letter

This is the
white
water claim
ledger
Drawn on the Madison



000143

BAL. BRO'T FWD 3 59

9-30-85 Int. 80

9-30-85 Serv. Chg. 4 57

11-10 1985

TO Flowerwood Farms

Deposit 11-11-85 285 18

FOR Taxes

TOTAL 289 50

AMOUNT THIS CHECK 110 00

BALANCE 189 50

000144

11-14- 1985

TO Jessie Sanders,
Madison County Collector

FOR [illegible]
[illegible]

TOTAL

AMOUNT THIS CHECK 177 60

BALANCE 11 90

10-31-85 Int. 59

10-31-85 Serv. Chg. 12 49

000145

11-7- 1985

TO Security Bank of
Paragould

Deposit 11-7-85 7580 00

FOR Lots 4 & [illegible]
Principal $7,000.00
Interest $[illegible]

TOTAL 7592 49

AMOUNT THIS CHECK 7392 40

BALANCE 196 09

FILED

MAR 14 1991

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
SECOND DIVISION

MADISON GUARANTY SAVINGS AND LOAN ASSOCIATION, a State Chartered Savings and Loan; MADISON FINANCIAL CORPORATION, a Wholly Owned Subsidiary of Madison Guaranty Savings and Loan Association,

Plaintiffs,

vs.

FROST & COMPANY, an Arkansas Professional Association, and its directors James Alford, Michael Robinson, Gary Gray, Gaines Norton, Tim Gibson, Steve Humphries, Alan Duncan, Frank Butts, Marjorie Itzkowitz, John Does A, B, C, D

Defendant.

No. 90-1193

FIRST AMENDED COMPLAINT

COMES NOW, Plaintiffs, and for cause of action state follows:

I

PARTIES

1. Plaintiff Madison Guaranty Savings and Loan Associ (hereinafter, Madison Guaranty) is a state savings & association duly chartered under the laws of the Stat Arkansas. Plaintiff Madison Financial Corporation (hereina Madison Financial) is a state chartered corporation and w owned subsidiary of Madison Guaranty.

2. Defendant Frost & Company is a professional associ or partnership of public accountants with its principal pla business in Little Rock, Arkansas, comprised of the foll individual partners who are set forth as Defendants in para 3.

3. Defendants James Alford, Michael Robinson, Gary Gaines Norton, Tom Gibson, Steve Humphries, Alan Duncan, Butts, Marjorie Itzkowitz, John Does A, B, C, D are directo

7. John Latham at all relevant times was the President

Chief Executive Officer of Madison Guaranty and a member of

Board of Directors; and a member of the Board of Directors and

Secretary of MFC.

* 8. Susan McDougal was at all relevant times wife of James McDougal, member of the Board of Directors of Madison Guarant President of Madison Real Estate, a division of MFC, and Preside of Madison Marketing, a service provider to Madison Guaranty MFC.

9. Madison Real Estate was a real estate brokerage operat owned and operated by Madison Financial with its principal bro Susan McDougal.

* 10. Madison Marketing was an advertising agency thro which Madison Financial and Madison Guaranty purchased all of advertising for itself and MFC's real estate developments.

11. Jim, David and Bill Henley ("Henley Brothers") were r estate agents and/or developers for Madison Real Estate, who s property and received substantial commissions and/or develop fees from Madison Financial.

12. Frost & Company purported to serve as independ auditor of Madison Guaranty and its consolidated subsidi Madison Financial for the years 1984 and 1985.

13. James D. Alford at all relevant times was the audit accounting partner of Frost & Company in charge of the Madi Guaranty audit.

14. Federal Home Loan Bank Board ("FHLBB") is the prin federal regulator of Madison Guaranty. FHLBB has oversight of Federal Home Loan Bank of Dallas which has direct supervis responsibility for Madison Guaranty.

IV

LEGAL AND AUDITING FRAMEWORK

15. This action arises from Frost & Company's breach of duty and agreement to provide professional services in that defendant Frost & Company violated Generally Accepted Audi Standards ("GAAS") in connection with its audits of, and opin

DRAFT

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

February 16, 1994

Honorable Alfonse M. D'Amato
United States Senate
Washington, D.C. 20510-6075

Dear Senator D'Amato:

This letter is in response to your letter to me dated February 8, 1994. In that letter you asked that I provide you with the number of times the RTC's Chief Executive Officer has recused himself from involvement in matters before the RTC; a summary of the grounds that led to the recusal decision; and the RTC's policies or guidelines pertaining to recusals.

During his tenure, Albert V. Casey, the Chief Executive Officer, recused himself by memorandum to the RTC's Ethics Office from three matters that came before the RTC. Mr. Casey did not state the grounds that led to two of his recusal decisions. Under 12 CFR 1605 an employee may recuse himself or herself from matters in which the employee believes he or she may have a conflict of interest. In the third instance, Mr. Casey recused himself from any RTC matters involving a member of his immediate household.

Mr. Casey further had executed an Ethics Agreement in which he committed to recusing himself from any entity in which he held a financial interest, as well as any other interest derived from pensions of five corporations. Mr. Casey also disqualified himself from participating in any RTC matter affecting his six creditors should such a matter come before him.

During his tenure, Roger C. Altman, the Interim Chief Executive Officer, has not needed to recuse himself from any matter before the RTC. Mr. Altman has recused himself from matters that could have a direct and predictable effect upon his financial interest, his former partners, or clients - should such matter come before him as the RTC's CEO.

DRAFT

The RTC's policies and guidelines pertaining to recusal are founded in the criminal statute and the standards of conduct regulations. Specifically, 18 USC 208, 5 CFR 2635, and 12 CFR 1605, as amended, provide the basis for an employee's recusal from any official government matter which could result in a conflict of interest or an appearance thereof. Employees may recuse themselves simply by not participating in a matter at such time that the matter, in which they may have a conflict, comes before them. Although employees are not legally required to put their recusals in writing, we encourage employees to document recusals either by internal memorandum or by electronic mail. In addition, during our review of financial disclosure forms, our Deputy Ethics Counselors (DECs) issue disqualification letters to employees on matters in which there may be an obvious and real conflict of interest, should such a matter come before them. This is done to ensure that the employees are in compliance with the criminal statutes or standards of conduct regulations. These disqualifications would include certain financial interests, extensions of credit in excess of $10,000, and prior employment.

Disqualifications are usually between the employee, his or her DEC, and the RTC's Ethics Office. Supervisors or other management officials are usually not made aware of these disqualifications until such time as a conflicted matter arises with the conflicted party. The conflicted employee's supervisor must then assume responsibility for the matter or reassign the matter to another individual at or above the level of the conflicted employee. Notice of this reassignment is made known to those who have a need to know.

Both Mr. Casey and Mr. Altman informed members of the RTC's Executive Committee and the RTC Secretary of their recusals.

I trust that this responds to the questions you have raised. If you have any further questions on this matter please feel free to contact our Ethics Office at (202) 416-6952.

Sincerely,

Peter Knight, Director
Office of Governmental Relations

[illegible]

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

February 8, 1994

Mr. Peter Knight
Director
Office of Governmental Relations
Resolution Trust Corporation
801 17th Street, NW
Washington, DC 20434

Dear Mr. Knight:

Pursuant to your conversation with Doug Nappi, of the Banking Committee, please provide the answers to the following questions:

1) The number of times that an RTC Chief Executive Officer has recused himself from involvement in matters before the RTC;
2) A summary of the grounds that led to the recusal decision; and
3) The RTC's policies or guidelines pertaining to recusals;

If you have any questions regarding this request, Mr. Nappi can be reached at (202) 224-3737.

Sincerely,

Alfonse D'Amato

Alfonse M. D'Amato
Ranking Republican Member

AMD:sb

02/09/94 14:10 ☎ 202 6221176 TRSY ASST CC ACL 001/005

→ Ellen Kulka

Per our talk earlier today.
Art

DEPARTMENT OF THE TREASURY
WASHINGTON

Office of the Assistant General Counsel
for Administrative and General Law
1500 Pennsylvania Ave., N.W., Room 1410
Washington, D.C. 20220

Telephone: (202) 622-0450 **FAX:** (202) 622-1176

DATE: 2-9-94 TIME: 2:00 p.m.

NUMBER OF PAGES TO FOLLOW: 4

TO: Art Kusinski

FROM: Ken Schmalzbach

SUBJECT: the memo - draft # 2

Addressee FAX No. 416-2481 Confirmation No. 416-2157

Notes and Special Instructions:

'94 FEB
RECEIVED

Unclassified

MEMORANDUM FOR ROGER C. ALTMAN
DEPUTY SECRETARY OF THE TREASURY
and
ACTING CHIEF EXECUTIVE OFFICER, RESOLUTION TRUST CORPORATION

FROM: Dennis I. Foreman
Deputy General Counsel and Designated Agency Ethics Official, Department of the Treasury
and
Arthur J. Kusinski
Ethics Officer and Designated Agency Ethics Official, Resolution Trust Corporation

SUBJECT: *RTC Madison Guaranty Matters*

SUMMARY:

We understand that you have a personal relationship with the President. You have sought advice from your ethics counselors as to whether this relationship gives rise to an obligation to recuse yourself from certain matters that are before the RTC that may affect financial interests of the President or his family. We have carefully considered your inquiry, and we conclude that the decision whether to participate in such matters is not governed by ethics statutes or regulations. Thus, you have the discretion to participate or not, as you determine appropriate.

DISCUSSION:

In considering your request for advice, we are aware that you have a relationship with the President that is fairly characterized as a longstanding personal friendship. However, you and the President do not now and have not in the past participated together in business or financial transactions.

The only ethics statute or regulation appropriate for consideration in responding to your request for advice is 5 C.F.R. 2635.502 ("section .502").[1] That provision requires that

---

[1] Title 18 U.S. Code, section 208 prevents an official from participating for the Government in a matter affecting a financial interest of the official or certain other persons and organizations. You have neither a personal financial interest in the matters before the RTC nor a relationship with the President (who may have such an interest) of the kind that is relevant for purposes of 18 U.S.C. 208. Section 208 would impute to you the financial interest of the President only if he were your general partner or a person with whom you were negotiating or had an arrangement for prospective employment. Thus, that provision does not create any bar to your participation in the RTC's decisions concerning those matters.

The only other ethics provision that merits any consideration in this context is 5 C.F.R. 2635.101(b)(8). This provision requires that Government officials act impartially when they do participate when an official considers participating in certain kinds of matters in which a person with whom the official has a "covered relationship" is a party to the matter, the official must consider whether the circumstances would cause a reasonable person with knowledge of the relevant facts to question the official's impartiality. If the official determines that the circumstances do reasonably raise such a question, he may not participate in the matter unless he advises the "agency designee" of the appearance problem and the agency designee authorizes the official to participate.

In addition, if you were concerned that a relationship with the President other than a "covered relationship" would raise a question regarding your impartiality, you should use the procedures established by section .502 to determine whether to participate. Under section .502(a)(2):

> An employee who is concerned that circumstances other than those specifically described in this section would raise a question regarding his impartiality should use the process described in this section to determine whether he should or should not participate in a particular matter.

Officials have a "covered relationship" with: (1) a "person" with whom the official has or seeks a business, contractual or other financial relationship; (2) a member of their household or a relative with whom they have a close personal relationship; (3) a "person" with whom certain of the official's relatives are have or seek employment or similar relationships; (4) a "person" for whom the official has served as an employee, attorney or in a similar capacity within the last year; and (5) an organization other than a political party in which the official is an active participant such as a chairman of one of the organization's committees. For purposes of these regulations, the term "person" does not include the Federal Government and officials of the Federal Government acting in their official capacities. 5 C.F.R. 2635.102(k). You clearly have none of these relationships with the President.

The question that remains is whether your personal relationship with the President is an "other circumstance" within the meaning of section .502(a)(2)that would cause a reasonable person to question your impartiality. While a personal relationship such as yours with the President is a factor to be considered (along with others) in deciding whether the circumstances raise a question as to your impartiality in a matter that may affect the President's interests, alone it is not determinative. In view of

---

in a matter for the Government, but has no bearing on a decision as to whether to participate in the matter. Thus, it can not provide an independent basis for an obligation for you to recuse yourself from a matter.

the gravity of the responsibilities you accepted when you took your oath of office, it is our determination that your relationship with the President would not cause a reasonable person to question your impartiality in deciding a matter that may affect the President.

Thus, you do not have a covered relationship with the President and there are no other circumstances that require you to seek authorization from an agency designee before you can participate in an RTC matter that may involve the President. Instead, the decision whether to participate is entirely within your discretion.

Although section .502 does not authorize ethics officials to make the decision as to whether you participate in Madison Guaranty matters because you do not have a covered relationship with the President and there is not an "other circumstance" that suggests that the section .502 process be used, it may assist you in your decision for us to describe the analysis ethics officials would use if section .502 did apply. The regulations (section .502(d)) identify a number of factors that may be considered by an agency designee in deciding whether to authorize an official to participate in a matter. Those factors can be helpful in determining whether the Government's interest in having the employee participate outweighs any appearance concern.

Taking those factors into consideration, we would conclude that the Government's interest in having RTC's CEO decide the Madison Guaranty questions that may come before you outweighs any concern arising from your friendship with the President. First of all, you friendship does not involve the kind of overwhelming personal loyalty that characterizes "covered relationships." OGE specifically declined to categorically define friendships as covered relationships. 57 F.R. 35026 (1992). Second, and perhaps more importantly, a decision that did involve the President is obviously extremely sensitive and therefore normally would be made at the highest level of the agency by those in whom the greatest trust is reposed. Third, the discretion exercised by whoever decides whether to pursue claims will be somewhat circumscribed by the RTC staff's investigation of the facts surrounding potential claims and the RTC legal staff's conclusions as to whether: (a) claims exist; and, if they do; (b) whether the statute of limitations applicable to such claims has been extended by the recent RTC completion legislation. Finally, even if there reasonably were questions as to your impartiality, these aspects of the decision-making process would serve to reduce or eliminate those questions. Thus, if the regulation did require us to decide whether you could participate in decisions with respect to any claims that involve the President or his family, we would authorize you to do so.

We have consulted with the Director and General Counsel of the

Office of Government Ethics concerning this matter. They believe that your decision as to whether to participate in an RTC matter that may affect a financial interest of the President is not a matter that is directed by ethics statutes and regulations. OGE also believes that the ethics advice we provide to you in this matter is within the discretion of the ethics officials of the affected agencies; and that the decision whether to participate in such an RTC matter is within your discretion.

16723